Trade Pact Analyzed (Pages 11-12)

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The Nation's Business

Reciprocity Analyzed

Shifting Burdens and Benefits of Tariffs

Increased Trade Should Result

Not Enough Thought To Auto Changes

Agriculture Makes Notable Gains

Reciprocity— Dawn or Doom?

THOSE who have been working on the reciprocity agreement are enthusiastic about it. They claim that it is a two-handled jug; that Canada gets at least as much as she gives.

A first glance at the agreement may not suggest this. Canada appears to have been the more generous bargainer. One reason the agreement suggests this is that the concessions Canada grants are on commodities where the market is ready and can be immediately tapped; the concessions Canada gets are on commodities where the process of building the market is apt to be a slow one. The farmer and the lumberman cannot jump into a new market as quickly as can the manufacturer. A notable exception is whisky; we have $80 millions worth ready to ship.

First impressions, however, may prove to be wrong. There is in Canada no authoritative study of the benefits and costs of our tariff system, except those made by propagandists for higher or lower tariffs. Our universities and research men have almost entirely overlooked the tariff as a subject of independent study. There is no yardstick by which to measure, in advance, the broad national effect of any particular tariff level in Canada. The result can be determined only by putting the tariff into effect. Even then it is difficult to determine how much of the result is the product of the tariff itself and how much the product of other conditions.

The United States agreement has to be taken to a considerable degree on faith, with hopes high that the benefits to this country at large will be great enough to offset the losses to individuals.

* * *

THE agreement is weighted in favor of Canadian primary producers and against Canadian industry. It was inevitable that it should be so. Primary producers have been worse hit by the depression than our sheltered groups. In fact, the major difficulty of our sheltered industries has been the serious decline in buying power of their customers, the primary producers, who have taken the full force of the world depression. If the buying power of farmers, fishermen, lumbermen and other primary producers can be increased by giving them larger markets and higher prices, then they will be able to buy more from the sheltered industries. The latter in that event will gain advantages that will offset, and may, in many instances, exceed, the burden of the tariff cuts they are being forced to grant. The farm implements industry may be cited as one that stands to gain new business, despite tariff cuts on its products.

It cannot work out this way in every individual industry. Some industries will undoubtedly be the worse off in order that other producers may be much better off. There is a redistribution of the benefits and burdens of the tariff. Any redistribution is bound to bring new inequalities as it irons out the old ones.

An example of an industry that gives up much more than it is likely to gain is the printing industry. An even more striking example seems to be the automobile industry, which is dealt with at greater length later on.

The average citizen will attempt to assess the agreement as a whole, hoping that the final effect on the Canadian economy will be favorable. He will trust that there will be at least two beneficial results: a fairer measure of equilibrium between different classes of producers and consumers in Canada; and a large stimulus to trade, both within the country and across international boundary lines.

* * *

About Back to Level Of Tariffs in 1930

SPEAKING very generally, it would seem that the agreement puts Canadian-American fiscal relations back to the approximate relationship that existed in predepression days — say, early 1930. This is not true of every item in the tariff (for instance wheat) but it is

(Continued on page 2, col. 3)

P. E. ISLAND DEBT STAYS UNALTERED

Provincial Treasury Clarifies Reports of Refunding

MOVE OPTIONAL

First Use of New Statute May be to Fund $1,000,000 of Bank Borrowings

While authority for refinancing $3 millions of the provincial debt was given at the last session of the Prince Edward Island legislature no refunding scheme is in immediate prospect, The Financial Post is informed.

In answer to an enquiry, P. S. Fielding, Deputy Provincial Treasurer, states that "no approval was given to any sort of scheme of refunding in connection with the provincial debt. Authority was, however, given for the issue of debentures to provide means for taking advantage of any scheme of such a sort which might present itself."

Permissive Not Mandatory

This simply means that the provincial treasurer is authorized to refund a large part of the province's funded debt if, and when, such opportunity arises. As a result of this authority the province is in a position to take advantage of any scheme that might be put forward for refunding of provincial debts in Canada.

The authority given to issue not over $3 millions of debentures is expected to be used first to fund $1 million or more of bank borrowings incurred for highway construction and relief disbursements. This would leave nearly $2 millions open for refunding existing debenture debt of the province.

Use for Authority

Just how this refunding authority can be used is a puzzle. The only maturing loan next year is $500,000 of three per cent bonds. If these were funded, there would still be over $1,000,000 of refunding authority unused.

At the time the authority was given, it was stated in the legislature that several proposals for refunding had been placed before the government. It was also stated that if there is a change in legislation at Ottawa, to permit provinces to refund existing debt, the authority would be useful to Prince Edward Island. The province has one issue of $1 million of six per cent bonds, due 1947, which it would apparently like to refinance at a lower rate if it were legally possible. The issue, however, is not callable.

Debt Position

At the end of 1934, Prince Edward Island had a gross funded debt of $4,554,000. Sinking fund amounted to $932,628, leaving a net debenture debt of $3,621,372. This year, the province sold an issue of $200,000 of three per cent bonds.

Outstanding debt of the province is not callable prior to maturity. When authority to refund provincial debt was given at the recent session of the legislature it was feared by investors that some change was contemplated in contractual rights of the bondholders. Fear of this action has been allayed by the statement of the Deputy Provincial Treasurer to The Financial Post.

Use as Desirable

While no change in contractual rights is contemplated, authority to make any change that may be deemed advisable is given by the act as passed by the legislature. The act provides for refunding, "at a lower rate of interest if possible, such present debentures of the province as may mature, or as to the Lieutenant - Governor - in - Council may seem desirable."

Any debentures that may be issued under the act are to run for a period not exceeding 30 years and to bear interest at a rate not to exceed four per cent per annum.

October Sale Of Insurance Records Jump

A score of important factors aided in pushing The Financial Post business index to new high ground during October. Key items are given below with complete information on page 7.

Sales of new life insurance at $30.4 millions showed a substantial seasonal increase though the total is still 3 per cent less than the same figure last year.

Monthly	October	Change From prev. period %	Change From prev. year %
Building permits ...	$4,020,306	+21	+ 48
Flour prod., bbls....	*1,535,189	+32	+ 11
Rolled oats prod., lb.	*13,911,445	+74	+ 2
Steel ingot prod., tons	95,016	+ 4	+ 64
Pig iron prod., tons	45,521	—16	— 2
Auto. prod., No. ...	8,313	+56	+120
Life ins. sales	$30,416,000	+14	— 3
Trade:			
Imports	$52,751,020	+18	+ 11
Exports	$84,952,580	+31	+ 25
Wheat exp., bus. ...	28,919,421	+67	+ 32
Wheat flour exp., bbls.	501,442	+26	+ 3
Raw cotton imp., lb.	10,770,453	+83	+ 17
Cotton yarn imp., lb.	417,079	+ 8	+ 21
Petrol. imp., gal....	133,728,567	+ 5	+ 20
Crude rubber, imp. lb.	1,819,433	—49	+ 73
Exp. planks & boards, ft.	138,118,000	+22	+ 12
Weekly:			
Car loadings, No..	52,218	+0.08	+ 0.1
Cattle sales, No...	23,635	— 8	+ 20

* September.

King Amazes Ottawa As Man of Action

Speed and Zest Seize New Liberal Government Leader

By KENNETH R. WILSON

OTTAWA.—Perhaps the biggest news in the three-weeks life of the new Liberal Government is the amazing zest for action that has seized Mr. King and his ministers.

Apparently the jibes of "laissez-faire" with which his opponents taunted the new Prime Minister have worked deep into his skin. At any rate hardly a day has passed since he took over the reins of office that Rt. Hon. W. Mackenzie King or his cabinet have not inaugurated some important new policy or project. Mr. King has literally hurled himself into the task of government, riding from one new accomplishment to another with extraordinary zeal and rapidity.

Man of Action

One explanation of this new "man of action" is that for perhaps the first time in his political career Mr. King is riding his political horse with a free rein. His big parliamentary majority gives him freedom from minority influence or control; freedom from the domination of the all-powerful Quebec bloc.

Added to this he is at the peak of his political career with an amazingly rich background of tradition, training and experience from which to draw. He is obviously determined to show friend and foe alike the outside measure of the man they have elected to lead parliament during the next five years.

Too Much Haste?

Fears are expressed that there may be too much haste in the King programme. Even now permanent officials look back almost aghast at the reign of "unholy haste" which characterized the flood of New Deal legislation which enveloped Parliament under the late Bennett administration. Against the rapid tempo of the new government is placed the steadying influence of Liberal fundamentals and principles which are virtually meat and drink to Mr. King and to many of his ministers.

Automotive Problem

A case in point is the treatment of automobiles in the U. S. trade pact. There is a feeling here that Mr. King moved too hastily in permitting as a purely political gesture the inclusion of automobiles in the treaty. No reduction in tariff had apparently been asked for by U. S. interests so that the placing of motor cars, parts and engines (a $100 millions import item six years ago) on the intermediate list, would seem to have been done purely to earn consumer acclaim in Canada.

The nub of the automotive problem is that a very exhaustive enquiry of the whole industry is drawing to a close at Ottawa which gives promise of developing an entirely new and business-like basis of operation as between manufacturers of parts, motor cars and the distributors. If the change in duty through the pact nullifies this survey it will be a most unfortunate thing.

One bright light in the prospect is the fact that the automotive tariff changes are not among those specifically mentioned in the pact but accrue to United States by means of that country having obtained our intermediate or most-favored-nation treatment. Fortunately this intermediate schedule can be altered at will by Canada (as long as U. S. always obtains the intermediate basis) so that the much-needed revision of the automotive schedule may still be able to proceed next year.

"Certainty" Is Keynote

Underlying these tariff and treaty changes is the basic belief of most of Mr. King's ministers that "certainty" must be the keynote of government at Ottawa once the main lines of new policy are established.

In tariff, customs and taxation matters this can be translated as meaning that the new government will aim at laws which can be put in books so that all who run may read; laws which once in the book will mean exactly what they say to all comers—no more, no less.

In the equally important field of labor and social legislation this means that before making new laws or enforcing those on the statute books the government will insist on a very clear view as to "where" such legislation is leading and as to "how" it is to be put into effect. Obviously this is much more than can be said for many very important new statutes now waiting a legal "O.K." from the Supreme Court.

Co-operation

Another fundamental which new Liberal ministers respect carefully is "co-operation." There will be no rush to put on the statute books laws which are difficult if not impossible of attainment without the co-operation of the provinces. This particular aspect will assume increasing importance once the federal-provincial conference and the constitutional findings of the Supreme Court have been achieved.

LONG AWAITED UNION GAS ISSUE IS NOW OFFERED

Serial Bonds of $4.5 Millions Sold to Large Canadian Group

Offerings within a few days of $4.5 millions of Union Gas Co. of Canada first mortgage 3½ to 4½ per cent serial bonds will be the crowning point of a major expansion campaign conducted during the years of depression.

By bank loans and exchanges of stock Union Gas Co. has made itself since 1929 one of the leading utility companies in Ontario. It has now come to the point where its earnings record leads officials to feel that the public will be glad of a chance to buy its bonds. The result of this financing will be on the one hand a lowering of interest charges to the company, and on the other hand an opportunity for those members of the public looking for better than present rates on Government bonds. Such an issue has been expected at some time by the market ever since 1930.

The group of investment houses participating in this issue is headed by Dominion Securities Corp., and includes Wood, Gundy & Co., W. C. Pitfield & Co., Nesbitt, Thomson & Co. and Midland Securities Corp. The trustee is the National Trust Co.

Bonds offered will include $750,000 at 3½ per cent, due 1936 to 1938, $1 million at 4 per cent, due 1939 to 1942, $750,000 at 4½ per cent, due 1942 to 1945, and $2 millions 4½ per cent sinking fund bonds due 1950.

Timber Sales in U. S. May Offset B. C. Loss

British Columbia's loss of lumber business in Oriental markets during the first nine months of this year amounted to 27,000,000 feet by comparison with last year, roughly a 20 per cent decline, according to Pacific Lumber Inspection Bureau reports. Shipments to the United Kingdom dropped by 21,000,000 feet in the same period, a loss of about 7 per cent compared with 1934. Minor gains were recording in Australia and Africa, the other markets of any size. Domestic and rail business has also gained. Total overseas shipments for the nine months are 577,793,536 feet compared with 616,591,864 feet in the corresponding period. The decrease of 39,000,000 feet is approximately 6¼ per cent.

Reports from Vancouver indicate that timber interests of British Columbia look for increased sales to the United States as one result of the new trade treaty.

INDUSTRIAL ACT CONTROL CLAUSE MAY BE SHELVED

Validity of Federal Legislation in Present Form Doubted

From Our Own Correspondent

OTTAWA.—Disappointment is in store for various Canadian trades and industries which hope to secure price maintenance and other measures of industrial control through Section 14 of the federal Trade and Industry Act, according to well informed opinion here.

The section has aroused the hopes of various trade groups including plumbing, rubber footwear, drugs and others who have approached the new federal Trade and Industry Board with a view to arranging price maintenance schemes under the act. As a Canadianized form of N.R.A., the act provides that if the commission, after investigation under the Combines Investigation Act, decides there is "wasteful or demoralizing competition" in any specific industry, and that agreements between persons engaged in the industry to modify such competition would not result in injury or undue restraint of trade, it may recommend to the Governor in Council that certain agreements be approved.

Price Control Involved

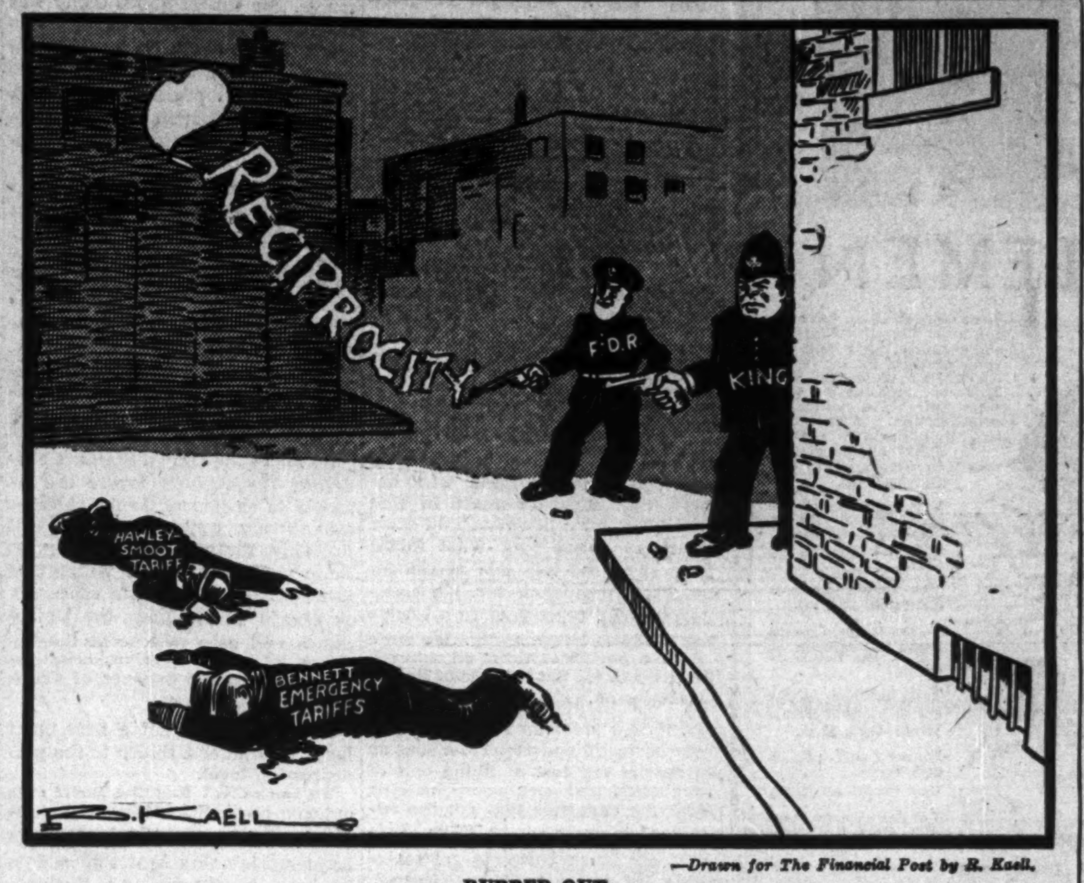
Naturally, the agreements mentioned include control or regulation of prices and production, and provision is made for these measures in Section 14 of the act. The difficulty appears to be, however, that any one group or industry may find it a far from simple matter to convince the commission that methods of price regulation or control are desirable, and the belief is expressed here that hopes of achieving price protection under the clause are doomed to disappointment.

Two reasons are cited: the considerable doubt existing as to the validity of the act as federal legislation—at least in its present form, and the firm belief that whether or not the clause is upheld by the courts it nevertheless will fail to meet with approval by the new Liberal government.

Applications Tabled

Meanwhile all applications under the clause are being tabled by the Tariff Board Commissioners charged with administering the act until the act and the commissioners themselves find their political legs.

"Wasteful competition," "undue restraint of trade," and "price control" remain undefined and, apparently, too full of industrial dynamite to be handled, even with extreme care, at the moment.



—Drawn for The Financial Post by R. Kaell.

RUBBED OUT

MAY AVOID NEWSPRINT PRICE WAR

But Settlement of Great Lakes Not Yet Reached

HOPE FOR PEACE

From Our Own Correspondent

MONTREAL.—No settlement has as yet been reached between National Trust Co., Toronto, receiver and manager for Great Lakes Paper Co., and the Newsprint Export Manufacturers Association of Canada. Negotiations have been in process for several days.

It will be recalled that, as receiver for Great Lakes Paper Co., National Trust Co. has tendered its resignation from Nemac. This was done so as not to place the receivership in the position of contributing to expenses of the Nemac opposition to judicial sale of the Great Lakes assets.

Fears of an open price war in the newsprint industry followed the notice of resignation given by the Great Lakes receiver. The situation continues to hold dangerous possibilities of a price war. It is now understood, however, that Great Lakes is unlikely to break away for the moment from the present price schedule. This has caused general firmness in prices for newsprint bonds.

Terms of Letter

In its letter of resignation from Nemac, National Trust—acting for Great Lakes — intimated that it would pursue an independent sales policy. This was taken to infer the upsetting of present price arrangements. It might mean breaking of the price of $41 a ton recently established for 1936. While this price is not considered attractive by the newsprint industry, it is an improvement over the figure of $40 a ton for 1935.

As a result of the protracted negotiations between Nemac and National Trust Co. the tension created by the Great Lakes withdrawal from Nemac has been eased somewhat. There is now believed to be a fair possibility that the Great Lakes affair will be straightened away without the necessity of upsetting the progress made by the industry along the lines of price stabilization.

Great Lakes Sale

Procedure to complete the reorganization of Great Lakes Paper Co. for submission to the Supreme Court of Ontario for its consideration have been making progress, it is understood.

The sale of assets as approved by bondholders involves contracts with American publishers to purchase most of the company's output for 10 years. The right of the contracting publishers to receive dividends from Great Lakes Paper Co. led to opposition of the deal from the newsprint industry represented by Nemac. The feeling of the industry has been that the dividend feature would act as a contingent rebate and would disturb the newsprint price structure for years.

One of the most serious obstacles to fulfillment of the deal is that the Ontario government has stated it will actively oppose it. The Financial Post understands that the government does not now oppose the transaction as not being satisfactory as far as bondholders of Great Lakes Paper are concerned. There is no indication, however, that the government has altered its opinion that the deal is unsatisfactory to the newsprint industry in Ontario. This means that the government's intention to oppose the transaction is unchanged.

CANADA WIRE SALES VOLUME LEAPS AHEAD

Peak Business Since 1931 Improves Outlook for Preferred Holders

STRONG POSITION

From Our Own Correspondent

MONTREAL.—Canada Wire and Cable's volume of business in the current year will be the largest experienced by the company since 1931, according to present indications. There has been a marked improvement in domestic business, and improved export sales have required the full-time use of the rod mill.

Current operations of the company continue on an upward trend, following a rise in October volume to the highest sales peak reached in any month during the last four years. Export rod business was below normal in the earlier part of the year, but this situation has undergone a marked change for the better in subsequent months.

Peak Business Three Years

Indications point to satisfactory November business. Despite a seasonal reduction expected during December, the total volume of the year's business is expected to exceed that of any of the last three years.

Significance of the expansion in Canada Wire and Cable operations lies in its probable effect on earnings this year and in 1936, on the preferred stock. In 1934, 22 cents a share was earned on the preferred, and in 1933 earnings were equal to 14 cents a share. Nothing was earned in 1932, but 1931 earnings were $9.40 a share against dividend requirements of $6.50. The fact that operations are now at the highest level since 1931 creates new interest in the prospect of resuming the $6.50 per annum dividend, last paid in 1932.

Arrears of $19.50 a Share

The preferred is cumulative and arrears at the end of 1935 will amount to $19.50 a share. It is the company's senior security, and earnings therefore accrue primarily to the holders of the $3 millions of preferred outstanding, either in the form of part payment of dividend arrears, or resumption of regular payments when the company's business justifies such a move.

Financial position has been strongly maintained with net working capital in excess of $2 millions at the end of 1934. Prospects for the preferred shareholders either this year or next are obviously improved by the present situation.

There is yet no indication of the probable date on which dividend resumption can be considered. Dividend developments can hardly be expected, however, until the actual earnings results for 1935 are known.

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Probing the Pact

Now that the long-trumpeted United States - Canada trade treaty has been signed, sealed and delivered, what is the result?

Columns of figures, snap opinions, schedules and ballyhoo which accompanied the release of the treaty have been confusing and in some cases misleading. Highly significant items have been tucked away in obscure corners or entirely ignored. Indirect effects in many instances may greatly outweigh the actual reciprocal trade involved.

Some industries will receive immediate benefit; some will be hurt.

Certain companies while facing increasing competition as a result of slashed tariffs may reap compensation from improved purchasing power among their customers.

In this week's issue The Financial Post makes a detailed and impartial survey.

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SEE COURTS ONLY THREAT TO U. S. PACT

Could Hold President's Powers in Matter Unconstitutional

UPSET UNLIKELY

Three Year Agreement Will Probably Stand Unbroken During Its Scheduled Life Time

From Our Own Correspondent

WASHINGTON. — Despite fiery threats of high-tariff Republicans to smash the new joint trade agreement between Canada and the United States, in reality there is only one possible threat.

This would be a decision of the U. S. Supreme Court holding unconstitutional the resolution of Congress which delegated to the president the power to negotiate three-year trade agreements. Inasmuch as there are no cases pending in any U. S. lower courts against this presidential authority, it would be possibly a year before any such issue could come to the supreme tribunal.

Act Is Constitutional

The Florida Citrus Fruit Association is attempting to institute such a suit. Eminent counsel here think, however, the effort will be abortive as founded on a fictitious claim; namely, that the complainant is attempting to pay twice the duty on a shipment of citrus fruit from Cuba. Furthermore, about two months ago, the legal adviser of the U. S. state department, Green H. Hackworth, gave the opinion, after months of exhaustive research of supreme court decisions, that this authority delegated to the president the right to alter existing tariff rates within the 50 per cent zone of the flexible tariff act and that the act was unquestionably constitutional.

No Upset Likely

Even in the event of an adverse Supreme Court decision, it is unlikely that that body would attempt to upset an international agreement during the life of the agreement. So the principal worry of the administration over the future of the Canadian-U. S. trade agreement is its political effect, particularly in the western states.

Just as it is the western provinces of Canada which indubitably are the chief beneficiaries of the new agreement in widened markets for cattle, lumber, feed wheat, hay, horses, etc., so the western states farmers, ranchers and lumbermen fear they will have to carry the load of benefits for U. S. manufacturers.

Prejudiced Reaction

Generally speaking, reaction to the agreement depends almost exclusively on the political outlook or commercial affiliations of the men giving out the interviews. From Postmaster General James M. Farley, political generalissimo of the Roosevelt cabinet, down the roster of the Democratic party, the agreement is hailed as the dawn of a brighter day and the return of the party to fundamental Democratic party low-tariff principles. As the Democrats hold virtually a two to one majority of the present house and senate, there is little fear of any attack on the agreement in Congress even if it had to come before that body which, under the terms of the Congressional resolution, it does not.

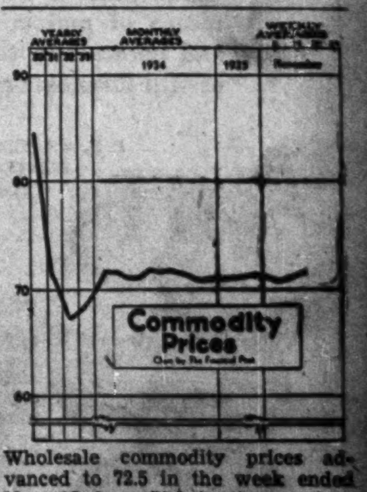
Pleases One Group

Moreover, a great many of the conservative southern Democrats in Congress, who were alienated by the A.A.A. and similar crop reduction programmes, are certain to hail the agreement with pleasure.

The diagnosis that the Roosevelt administration, in this Canadian trade agreement, has made a long step away from "brain trust" theories of planned production to original Democratic doctrines of lower tariffs and larger foreign markets, seems to be a sound one.

West Antagonistic

In the West, however, the administration will have to fight for its life. That was why the official statements issued explaining the agreement went to great lengths to gloss over the effect of admitting more Canadian cattle, lumber, cream, seed potatoes, etc., and emphasized that these were to be admitted under quotas which would only permit of a small percentage of annual U. S. domestic consumption.



Wholesale commodity prices advanced to 72.5 in the week ended Nov. 15 from 72.3 in the previous week, according to the index compiled by the Dominion Bureau of Statistics.

FORMAL CLOTHES FOR GENTLEMEN

Even though you have to get your formal clothes at short notice, you will be well advised to see what EATON'S have to offer you. This is particularly true when price is a matter of consideration. Remember, too, that clothing costing $15.00 or more may be purchased on our Budget Plan.

You could get morning coat and vest, as above, properly fitted and well tailored, for $35.00.

The striped trousers are $10.00 and up.

To the left is a group that you might see at one of the hotels or clubs.

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Dinner suit, $25.00 and $35.00.

Vest (backless), $4.50.

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(From Halifax one day later)
Dec. 6 ....Montclare
Dec. 12 ....Duchess of Richmond
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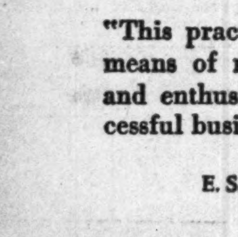

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The Nation's Business

(Continued from page 1)

generally true of the average. In short, the Hawley-Smoot tariff, which dealt Canadian exporters a severe blow has been wiped out, and the Bennett tariffs have been wiped out.

If this is a reasonable estimate of the agreement, one comment suggests itself. Canadian-American tariff relationships were not on a fair and equitable basis even at that time. Canada had for several years been reducing its tariff on United States goods and the United States had for several years been increasing its tariff on Canadian products. We had never attempted any offset —if one is to avoid that ugly word "retaliation" — for the Fordney or the Fordney-McCumber tariffs. Rather, under the previous Liberal administrations, we had been reducing the tariff on "instruments of production."

If the reciprocity agreement leaves the tariff arrangements of the two countries somewhat inequitable it is because they were inequitable before the depression hit us.

Canadian industrialists who believe that there is merit in that contention may, however, find some solace in considering what might have happened had this agreement not been negotiated. Mr. King was undoubtedly committed to a lowering of the tariff generally. We were in for a period of tariff adjustment downward, for the purpose of lowering costs of production in Canada. Mr. King's previous administrations cut the tariff unilaterally—doing so to reduce the cost of living and of production and seeking no benefits from the countries that got the advantage in their export trade. It is certainly much better to get something out of the tariff cuts than to grant them with no compensating benefits.

• • •

IN A vast array of lines the elimination of arbitrary valuations and other emergency measures is more far-reaching than the duty cuts. But these emergency measures were doomed in any event and the manufacturer who benefitted from them cannot blame their passing on the reciprocity agreement.

Similarly the concession which is promised by Canada, of a small quota of duty-free purchases for returning tourists, has to be judged against the background of all the facts. Our merchants, importers and manufacturers have long enjoyed the benefits of a similar privilege granted by the United States customs. Recently there has been much protest about it from American border merchants. Canada has been in danger, for some time, of losing the privilege. It is perhaps better that the exemption should be on a reciprocal basis.

Relations With Empire And Other Countries

OUR relationships with Empire countries and with foreign countries are also involved to a very large degree. Mr. King will shortly go to England to negotiate a readjustment of the Ottawa agreements. The United States treaty was negotiated in an obvious effort to bring the general level of tariffs downward. But Canada will want to keep Imperial preference alive. A substantial reduction of the preferential rates seems also to be in prospect.

The United States agreement marks the passing of the Bennett policy of tariffs designed to see Canadian industry through the lean years. Even Mr. Bennett looked upon many of his tariff increases as emergency measures, doomed to disappear with returning prosperity. Mr. King has moved more quickly and more drastically in this direction than Mr. Bennett would have considered justifiable.

So far as the United States is concerned the Bennett tariffs are no longer in existence. So far as other nations are concerned, they will probably disappear as rapidly as those nations display a willingness to negotiate with Canada, especially as certain of the trade the United States will gain will be at the expense of other foreign countries more than at the expense of Canadian manufacturers.

It is in general not a new tariff level, but rather a return to the predepression level.

To the extent that the tariff cuts quicken competition they will stimulate Canadian industrialists to greater originality in design and to keener merchandising methods. Cases can be cited of industries that have used the tariff as a substitute for good sales and advertising methods. This will be less easy in the future. A premium has been put on aggressiveness in production and distribution.

• • •

Auto Changes Much Too Abrupt

THE most ill-advised change effected by the agreement is that relating to automobiles and automotive parts. By granting the United States our intermediate tariff the duty was automatically cut by about 2½ per cent on imports which in 1928-29 amounted to as much as $100 millions. The change was apparently done for political effect in Canada since it is said that no pressure for the cut was made by the industry in the United States.

Because it does not become operative until January 1, the change does much to nullify the effect of the special early showing of 1936 models. But more important still it seems to upset the very needful, exhaustive investigation into the industry now being completed by Tariff Commissioner Sedgewick. This study embraces every branch of the industry and had, it is believed, brought about virtual agreement on a plan for revamping the whole set-up of the industry in Canada so as to permit the maximum employment of Canadians with the lowest selling price to consumers.

It is to be hoped the tariff changes do not preclude this good work being completed and put into action as quickly as possible.

• • •

Agriculture's Gains Should Be Large

FINAL appraisal of the agricultural concessions given by the U. S. is difficult and will remain so until the agreement has been in effect for at least six months. But generally the pact has been received by the important agricultural interests of Canada with acclaim and it seems rightly so.

Extravagant hopes that this treaty opens an unlimited market to Canadian farm products may not be well founded. There is no concession in regard to wheat, the chief agricultural product of this country, but there is a very substantial reduction on a generous quota of beef and dairy cattle. Under the most favorable circumstances this will open up a direct outlet for $10 millions of Canadian cattle and in doing so may conceivably raise the value of total Canadian cattle production by another $80 millions, the Canadian housewife paying the difference.

Indirectly in increasing freight traffic and in the wider use of feeds there would be other very real benefits. But all this improvement is contingent on American cattle prices remaining sufficiently high to offset the proposed duty of 1½ to two cents per pound. It is also contingent on the Dominion government being able to work out some practical system whereby the full quota will be exported but not a great deal more.

There are also valuable concessions made in cheese, seeds, cream and maple products. Here again the full value of the reductions in duty is dependent on the maintenance of something close to present market levels in United States. The proposed tariff of five cents per pound on cheese, for instance, is not insurmountable when that product is worth 10 to 12 cents but it will prove an effective barrier if cheese drops to six or seven cents.

In short, practically everything depends on market values in the United States holding present relatively high levels, a not improbable development in view of the falling farm production in that country in recent years.

Learning Costs Money

Each Year Sees Canadian Students Spending $50 Millions

— Universities are Decided Assets to General Business

Canadian college students spend annually about $50 millions during the average school year of 30 weeks, The Financial Post estimates. This figure would, of course, vary as registrations change. Last year approximately 90,000 students were in attendance at more than 150 universities, colleges, law schools, seminaries, and other institutions of higher education.

$550 Per Year

If it cost each student an average of $550 for the fall and winter college term, during three years of attendance at college, 90,000 students would spend $148.5 millions. This amount, for the fall and winter session only, would be increased considerably, were expenditures during summer courses taken into consideration.

What a Student Spends

In order to arrive at per capita student expenditures, The Post averaged the amounts suggested by registrars of a number of universities throughout Canada. This average, broken up into the items which make its total, shows just what a student spends and what he obtains for this expenditure during the college year.

Average Cost per Student During Academic Year of 30 Weeks

Fees:	
Academic	$115
Societies, ass'n's., etc.	25
Board and lodging	225
Books	30
Clothes	50
Miscellaneous	105
Total	$550

Student "Pin Money"

Although the amount in the miscellaneous division looks large for only 30 weeks of school, it may be more easily understood if it is broken up into its component parts. Into this category fall such "pin" money expenditures as social affairs, transportation, entertainment and similar items. At 50 cents a day for 30 weeks a student would spend $105. And 50 cents a day over and above his necessary expenditures is not unreasonable. As a matter of fact, the average student is more likely to spend from 75 cents to $1 on incidentals per day, according to his means.

Students are stratified, for the most part, according to their financial resources. The funds at their disposal determine how much they can pay for board and lodging; how much they can enter into social affairs; how much they can take time off from their academic work.

As Little as $4 Weekly

Some students pay as little as $4 a week for room and board. Others find themselves able to pay around $8. Some even go as high as $10. It is no idle rumor that students have been known to suffer physically because they have practically starved themselves in order to get along on very few dollars a week.

There is a vast difference, however, in the amounts students who live at home and those who are boarding away from home must spend. The board and lodging factor in the first instance is withdrawn.

On the other hand, board, lodging and entertainment, sometimes even fees and other necessary expenditures may not trouble a student. He may be in attendance at a religious institution where these are provided free. But on the whole the average is as outlined above. Where one student struggles to get along on little, or finds that he doesn't have to spend at all, another finds that he can spend considerable money either because of a healthy bank account of his own or one furnished by his affluent relations.

Business Asset

The fact that Canadian students spend such a large amount collectively every year indicates the monetary value to the country of the institutions which they attend. It also indicates that each institution is a decided asset to the business life of the community in which it is located.

President F. W. Patterson, of Acadia University, Wolfville, N.S., conducted some research not long ago on the subject in connection with the Acadia institution. His findings reveal the importance of Acadia University to Wolfville and its environs.

Of the total expenditures of Acadia University not all is spent in Wolfville. Funds for insurance, library books and magazines, renewals of equipment and mass buying of certain supplies generally are paid outside the town. But when these are deducted a large amount remains available for expenditure in Wolfville and vicinity.

Payroll Expenditures

There is, first of all, the payroll of the university and its affiliated schools. This has averaged $169,370 per year over 11 years. Nor is this all of the payroll. The amount paid for hauling fuel, the wages paid the men working on the grounds and the heating plant and certain other wages for repairs, are not listed in the general payroll but in the report of costs for heating, repairs, etc. This would increase the average payroll to approximately $172,000.

In addition to providing for its payroll, the university has paid an average of $5,332 per year for light and power, which is exclusive of the cost of power for the university heating plants. Other expenditures of smaller importance are added to the above.

Not the Whole Story

If this only were the whole story, it would make the university as desirable a business asset in any community as any industry with an equal capitalization. But it is far from the whole story.

Each year the students attending Acadia pay an average of $5,600 for the rent of rooms. In 11 years this totalled $56,000. This, with the present earning power of money invested in gilt-edged securities, represents the interest on a capital investment of $126,000. Viewed from another angle it would pay the interest at 6 per cent on 47 mortgages of $2,000 each.

Farmers Benefitted

A second detail of the picture is the amount paid by the university for supplies. The heavy buying is not done in Wolfville, but a great deal is bought from the local farmers, such as fresh meats, vegetables, fruit. This situation would not prevail to such an extent, however, were no student residences or dining halls in operation. For the year 1833-34 at Acadia the local expenditure for these commodities alone amounted to $10,306. This finds its way to Wolfville merchants, for the majority of the farmers from whom the university buys do their purchasing in Wolfville.

A third detail in the picture is the expenditure of the university and students in the town itself. Board and room would run to something like $32,600 from students in attendance during the regular session of the university. In addition to this there would be expenditures of students on clothing, books, entertainment and transportation.

Indirect Benefits

But what about the amount spent by parents and friends of the students who visit the town on various occasions? It may seem a minor thing. Actually, their expenditures must run into several thousands of dollars annually. Then there are conventions and other functions which are arranged directly through university auspices which bring money to the town.

University Towns

It has been found that a university town attracts a large number of families simply because it is a university town. It is improbable that families would move to a town because the town possessed a flour mill or a tannery unless they provided means of employment.

Wolfville's business has been benefitted because 88 families moved into the town in 11 years in order that members of their families could be educated at the university. Some have stayed for a year; others for longer periods, but while here they have been customers both of the town of Wolfville and of Wolfville merchants. Some, no doubt, will remain permanently.

As a business venture, the university seems to be a valuable asset to Wolfville. Broadening the statement, any university is an asset in the place where it is located, even when regarded from a purely business standpoint.

New Books

THE NEW IMPERATIVE. By Walter Lippmann. Published by the Macmillan Co. of Canada, Toronto. Price $1.50.

Mr. Lippmann, liberal-minded commentator for the New York Herald-Tribune and other American papers, discusses two important political problems of the present day. He argues first that, almost without our knowing it "a new imperative" has been forced upon government under the compulsion of crisis—to hold itself responsible for the maintenance of the standard of living prevailing among people.

He contends also that the world has advanced too far in the direction of substituting deliberate government of the main elements of the modern economy for automatism that it is impossible to retrace our steps. The job now is to reconcile the political tradition of liberty with this transition.

This little pamphlet of 52 pages is a reprint of two recent addresses by Mr. Lippmann, to which an introductory note has been added by himself.

STRANGE STREET. By A. Beverley Baxter. Published by the Ryerson Press, Toronto. Price $2.50.

Here we have autobiography written to the tempo of the high-speed newspaper press. It is the story of the life of a man who has only started. Beverley Baxter since the war has lived to a schedule of daily climax.

Baxter's story of Fleet Street, that "strange street" that is not a strange street at all but merely a magnified newspaper office as newspaper offices are everywhere, reveals Baxter as he is and also as he sometimes thinks he is. There are the usual Baxter epigrams tossed off with the quiet conceit of a man blowing cigarette rings. There is the casual hobnobbery with the great and the near-great. There is the record of little stories overplayed and big stories underplayed just for swank. It is the real Baxter, the man who writes:

"I have witnessed great and terrible things and have seen the life of humanity changed in my space of years as though the earth had become another planet.....

"I have seen it all and been a part of it all. It is the journalist's boast."

There is, too, some of an unreal Baxter, the man who says:

"Men struggle for power like the gaunt spectres of the gold fields searching the endless river bed. I am ambitious. I dream of tasks that will bind me like a slave to the wheel and if they do not come unthought I shall invent them. That is the splendid curse laid on men and yet, in those few moments of solitude when the soul and the mind talk together, I know that it is in the human relationships as son, husband and father that a man finds poverty or wealth."

When Baxter writes this, he is writing "human interest" stuff professionally and he is not writing for himself.

Most Canadians are familiar with the contents of this volume, for it appeared in serial form in Maclean's Magazine earlier in the year. Those who have read it will want to read it again. Those who have not read it have missed a fascinating, living story. Baxter tells of his early days in Canada, of the manner in which he was plunged into London journalism in its bewildered post-war years; of his sudden appointment as managing editor of the great Daily Express, and then of his adventures as one of the big men of Fleet Street. The names of the great and the near-great of post-war England dot the pages in subtle confusion, and prime ministers rate no higher than murderers or jockeys as Baxter measures each according to his news value.

Carbon Monoxide Cure?

Two Winnipeg mechanics claim to have discovered a long-sought safeguard against carbon monoxide poisoning, according to Canadian Automotive Trade. This is a mechanical device in the shape of a small cylinder that fits over the intake in the manifold at the back of the carbureter. A small can containing a chemical is set into the manifold as the engine starts mixing with the gasoline to ensure complete combustion. It is claimed the injection of this fluid reduces the amount of carbon monoxide to about one per cent.

Vancouver Jubilee

Vancouver will celebrate its Golden Jubilee next year. One feature of the celebration is an air race between Montreal and Vancouver, planned as the major event of the week's air pageant.

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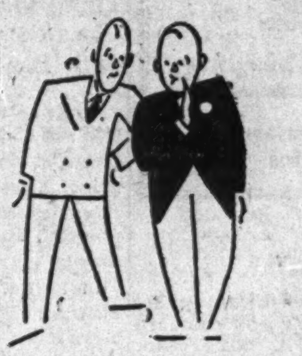

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Relief Rackets

Dodging Regulations Found to be Prevalent in Larger Cities — Obtaining Relief by Fraud is Worst Offense

Major unemployment problems are economic and social, but an element of racketing has crept in.

Rackets in reality are avoidances of regulations or laws, by persons who are attempting to work them for their own benefit. Some individual, organization or authoritative body is made the "goat" when a racket is worked successfully.

In addition to the ordinary difficulties which face the authorities in handling unemployment and relief, rackets are causing increased concern. Some are not sufficiently serious to enter the crime category. Others, however, are distinctly contrary to law. Provision has been made for dealing with the latter class by the courts.

Not Surprising

In a problem so widespread as unemployment, it is not surprising that there should spring up offshoots which add to the burden.

Rackets outside the jurisdiction of the courts include such practices as

A man's refusal to work, knowing he will not perish as a result of his inaction;

Payment of wages insufficiently large to take an employee entirely off relief, because of the surplus of labor;

The operation of organizations for the "benefit" of unemployed whose demands are often unreasonable with intimidation of authorities sometimes resulting;

The provision of special relief works just before elections.

Refuses to Work

Relief authorities sometimes come up against the man who refuses outright to work for the relief money he gets. This type of man feels that he is not taking much chance of starving. In the end, he argues, the municipality or some organization or person will see to it that he will at least get food. Then what has he to lose? Providing he gets something to eat, he can always find a lodging at the police station, or the Salvation Army hostels or some other privately-run institution. If they feel he has worn out his welcome, he can move to another community where he can start his racket of "sponging" all over again.

Sometimes Prefers Jail

Sometimes this type of man prefers jail as a vagrant rather than spend a few hours on the municipal wood-pile. But this "won't work" kind of vagrant is finding out to his chagrin that jail is not so comfortable as it was formerly for vagrants. Also, he is learning that relief regulations are being tightened, and that unless he shows some signs of being willing to earn the essentials of life, he will be dropped from relief rolls and left to fend for himself. And this hand-to-mouth existence is not looked upon by a "racketeer" as the most acceptable. Even magistrates are learning that to banish these men from the municipalities is exerting good influence in many cases. As a result, then, the so-called comforts of jail are being denied where obstinacy to work is proved.

Pay Small Wages

The second type of racketeer is the employer who pays wages so small that his employees must apply for supplemental relief. Instances of this are to be found all over Canada.

The employer who comes under this heading, finding a surplus in the labor market, is able to hire his help at reduced wages. Heads of families who have had no work, are eager to turn their hands again. Instead of receiving adequate wages, however, they must obtain extra money or supplies from the relief bureau in order to provide for their families' needs.

On the other hand, the employer replies to these criticisms by stating that he is doing his best to reduce the numbers on relief. He too, he says, has felt the depression. Unless he can get labor cheaply he may have to close up shop.

Regardless of the ultimate conclusion to this argument, it is evident that some relief from relief is attained even though small wages are paid. Some even question the racket element in the situation.

Unemployed Organizations

The activities of organizations composed of unemployed who draw up lists of demands which cannot under any circumstances be met, constitute the third type of racket.

There has been a decided increase in the number of this kind of organization since 1932. For the most part unemployed bodies were generally formed for the purpose of securing better conditions for those out of work. But in many instances the grievances have been outside the pale of legitimacy. The racket stage is reached when employers, relief officials, governing authorities or others to whom they are opposed, are intimidated. Relief work strikes illustrate the point, but as a general rule the practice of intimidation in relief matters has not been successful.

A fourth form of racket is the provision of additional relief works for unemployed just before elections. This racket is conducted purely for votes by the party in power and costs many millions of dollars of the taxpayers' money. That it is a racket is evidenced by the fact that after elections, relief works are suddenly cut down. If the government changes hands, works projects are sometimes halted before completion. And yet the practice is repeated when another election comes around.

Attempts to Dodge Law

Criminal offenses against relief regulations are rackets because they are attempts to dodge the law. The number of convictions in Canada for these offenses which might be caused by unemployment, was not so large in 1933 as in 1931, the peak year for some offenses since the depression set in. It is impossible, however, to learn the trend since that year because relief frauds are not segregated in the compilation of convictions for Canada.

Convictions

The following table shows the convictions for offenses which, for the most part, may be traceable to unemployment:

	1933	1932	1931
Family non-support	1,363	1,575	1,909
Trespass. on ry.	915	1,170	1,287
Stealing ry. rides	2,277	1,471	2,137
Vagrancy	11,109	12,173	15,301
Loose, idle, disorderly persons	2,613	4,047	3,999

However, the convictions for stealing rides on railway trains just about doubled in 1933 over 1932. The desire of transients to get from one place to another to find work or to change their source of handouts, is the major cause for this. Magistrates and railways officials were more lenient in the first four years of the depression with persons charged with offenses of this nature. There has been a tendency of late, however, to tighten up on the law dealing with "riding the rods" because each municipality has enough of its own unemployed to look after without having to provide for the transient population.

Frauds

The list does not include frauds committed in connection with the obtaining of relief. As a rule the offenses are laid bare as a result of investigation by relief officials who hand the special cases to the police. These frauds are committed, for the most part, by individuals. With the exception of some unemployed associations, they do not lend themselves to being carried out on a collective basis. But there is always the element of contagion involved, where one man will seek to obtain relief fraudulently when he finds out another has been successful in doing it.

One of the most frequent rackets of this type is where a person obtains relief by concealing the fact that he has financial assets or has income from other sources. This offense is punishable by a jail term. Convictions for it have brought stiff sentences to offenders.

In Toronto, to the end of October this year, 37 convictions have been made for relief frauds compared with 31 for the whole of last year. As the situation becomes more acute, apparently the number of frauds increases.

False Declarations

Rackets have been worked in which relief recipients have obtained more than the relief allowed in their individual cases by making false declarations at the time of registration for relief. Instances have been found of a man swearing he had more children than was the case. Sometimes officials have learned of a man asking for special relief because of alleged sickness in his home, where none existed.

Most communities demand that relief recipients notify officials immediately upon private work being obtained. As a general rule, this regulation is adhered to, although instances of its being disregarded have been uncovered.

Investigators are attempting to cut down on the racket element in connection with relief matters and are being quite successful, according to welfare authorities. Convictions for relief frauds have been given considerable publicity and the majority of relief recipients are aware that no consideration is going to be given to the person who has been found guilty of transgressing the laws dealing with relief.

Plugging the Loopholes

An element has crept into the problem of unemployment which is neither economic nor social. It is the racketeering methods which are being worked by those who seek to defeat relief machinery regulations.

If a man on relief refuses to work, what can be done with him? Formerly he was glad to go to jail where food and warmth were waiting and work was at a minimum.

But now he finds jail isn't so comfortable. If he doesn't work and he wants to keep out of jail, he must fend for himself.

And what about getting relief by fraud? Toronto's convictions for this offense have increased, according to reports this year. Is the racket spreading?

Obituary

Noulan Cauchon, former railway construction engineer and internationally-known town-planning authority, died in his 64th year at Ottawa.

William Inglis, director of the Dufferin Construction Co. Ltd. president of John Inglis Co. Ltd., and immediate past president of the Canadian National Exhibition, died in Toronto in his 69th year. He was born in Guelph and was prominent for many years in the industrial life of Canada as an executive member of the Canadian Manufacturers' Association.

George A. McGowan, supervisor of the Union Canadian Life Association, died in Montreal.

Thomas Mitchell, president and general manager of the Woods Manufacturing Co., of Montreal, and president of the Empire Cotton Mills, Ltd., died in Montreal.

Jeremie J. Robichaud, provincial manager of the Excelsior Life Insurance Co. and well known in insurance circles, died in Montreal.

Farm Credit Legislation Awaits High Court Ruling

From Our Own Correspondent

OTTAWA — With the Farmers' Creditors Arrangement Act definitely on the legal shelf until mid-January at least, the status of the act until the Supreme Court of Canada has spoken, seems somewhat uncertain.

The probability is that various negotiations of a conciliatory nature will continue under the act but there will be no further mandatory orders by Boards of Review and so forth.

Just what would happen to settlements already made under the act in the event of the law being declared unconstitutional is a moot point. The answer is probably tied up in a score of legal technicalities. It does seem probable, however, that the final answer would rest with the creditor companies themselves as to whether or not they would be willing to sue their debtors in order to recover moneys sacrificed by mandatory settlement under the act. There seems little prospect of any change being made in settlements that were mutually agreed upon as between debtor and creditor.

Elected to Montreal Curb

GORDON F. PERRY BEVIL GRANVILLE

Announcement is made of the election of Gordon F. Perry, partner in Flood, Potter & Co., and Bevil Granville, of Kippen & Co., as members of the Montreal Curb Market.

VALIDITY UPHELD MILK REGULATIONS QUE. COMMISSION

Has Important Bearing on Similar Control in Other Provinces

The constitutionality of the Quebec legislation controlling the sale of milk and other dairy products has been upheld. Judge Gustave Marin has found a milk dealer guilty on five charges of selling milk to other distributors at a price lower than that set by the Dairy Industry Commission. Any province has a right to regulate trade and commerce as long as there is no interference with interprovincial trade, ruled Judge Marin.

This ruling will have an important effect on the milk regulations in other provinces, notably Ontario, Manitoba, and British Columbia. In all these, as well as Quebec, Provincial Milk Boards for over two years have been exercising control over the sale of fluid milk in the larger towns and cities.

Though as a rule there is little mention of the statutes, setting up such boards, regarding the price of milk, this is indirectly controlled in most cases by the simple expedient of having all the distributors licensed. And licenses can be withdrawn without any reasons being given.

Milk boards take the stand that they are controlling a very highly perishable product and one easily contaminated and therefore affecting the health of large numbers of citizens. Cut-throat competition and resulting milk wars, in the opinion of these milk boards, are not only detrimental to the interests of the farmers supplying the raw milk, but might also result in outbreaks of diseases as a result of careless or cheap handling.

These provincial milk boards, as a rule, have no connection with the Dominion Marketing Board, the activities of which are expected to be drastically curtailed, or at least temporarily suspended until the validity of the legislation under which it operates has been tested in the Supreme Court. During the recent general election, the Liberal party, now in control of the government at Ottawa, made no secret of the fact that it was opposed to the compulsory features in the various control schemes of the Dominion Marketing Board.

Any milk legislation in Canada has a bearing on the earnings of the larger distributing companies, such as Eastern Dairies, Silverwood's, Borden's, Dairy Corporation, and others.

Commercial Credit Corp. Elects W. S. Westall

W. S. Westall has been elected assistant vice-president of the Commercial Credit Corporation of Canada Ltd.

He will be in charge of relations with automobile manufacturers headquarters at Windsor.

Trade Pact Keeps 'Phone Lines Busy

From Our Own Correspondent

OTTAWA.—One Canadian corporation to gain from the Canada-U.S. trade agreement is the Bell Telephone Co.

Officials here say that literally thousands of long distance calls have been necessary to bring the pact to a speedy and successful conclusion.

In fact Ottawa is a bit breathless after the meteoric swiftness with which the pact was concluded.

NOVA SCOTIA LIGHT ADDS TO SYSTEM

Takes Over Properties Held by Associated Gas and Light

From Our Own Correspondent

MONTREAL.—Nova Scotia Light & Power Co. has further strengthened its already dominant position in the Nova Scotia utility field through the purchase of Associated Gas and Electric Co.'s properties in Nova Scotia.

The electrical systems acquired from Associated Gas & Electric Co. through its subsidiary, the New England Gas & Electric Co., are the Annapolis Valley Electric Co., valued at $300,000; Western Nova Scotia Electric Co., the Lunenberg Gas Co., and the Milton Hydro Electric Co.

These properties, in the main, are relatively small, but fit in with the Nova Scotia Power system.

H. V. Butterfield Joins Leland Electric Co.

H. V. Butterfield has been appointed general manager of the Geo. Leland Electric Co., manufacturers of fractional horsepower electric motors.

The company has plants at Dayton, Ohio, and Toronto and increased business has necessitated manufacturing expansion with a new layout of plant equipment and re-organization of personnel.

Mr. Butterfield, for the past year, has been editor of Canadian Machinery and Manufacturing News. Born in England and educated in Yorkshire, Mr. Butterfield came to Canada in 1925 and was associated with Massey Harris and Grinnell Company.

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"And enjoy peace of mind throughout the years."

Let us explain to you how this can be done and why it is advisable and economical.

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393 St. James Street West - Montreal

Don't Be So Sure You Are Safe

Business failures last year in Canada were fewer than in any year since 1920.

But anyone who hands out merchandise on credit should not be lulled into a false sense of security by such good news, says Canada's financial authority, the Financial Post. Commercial history proves conclusively that the business of going-out-of-business never abates for long.

Failure liabilities during the past fourteen years in Canada have totaled $623,000,000, an *average* of $44,500,000 a year. You can protect *your business* against these losses with

Credit Insurance

Besides paying the losses due to failures, bankruptcies, receiverships, etc., Credit Insurance helps *prevent* losses through guidance in selling, through counsel concerning your debtors, through helping and relieving distressed debtors, through an amazing successful delinquent debtor service.

Credit Insurance *definitely* limits your Bad Debt Losses. This is invaluable in these days of rapidly changing conditions. Many new forms of Credit protection are now available to manufacturers and jobbers.

An experienced, trained credit insurance executive will be glad to explain the details to you.

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AMERICAN CREDIT
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34 Montreal Street
Phone: Lennoxville 134-F,
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17-0215

NEW FORD V-8 DE LUXE TRUCKS

New additions to the Ford V-8 Truck line are the 2-ton and 1½-ton De Luxe Trucks. These have a chromium-plated radiator shell and grille, chromium-plated windshield frame, and two horns. Also dome light, sun visor, cigar lighter and ash tray, ventilating rear window and twin windshield wipers.

SINCE 1932, Ford V-8 Trucks and Commercial Models have traveled MILLIONS OF MILES, saving money for more than 300,000 owners and serving them well. They have hauled freight over the highways . . . crops out of plowed fields . . . petroleum from wells to refineries . . . logs over corduroy roads. They have moved cattle to new pastures . . . hogs to the feeding pens . . . coal from mines to yards. They have carried rock out of quarries . . . concrete to the pouring forms . . . bricks to building sites. They have delivered milk, bread, clothing, laundry, groceries, meats and beverages to countless millions of homes.

Could there be any more conclusive evidence of V-8 Economy than the cost records of owners in all these different lines of business? Could you ask any greater proof of V-8 Performance than the ability to handle all these different jobs with equal satisfaction? Could there be any question of V-8 Reliability under every condition of load and road and weather?

PROVED BY THE PAST . . . the new 1936 Ford V-8 2-ton and 1½-ton Trucks have been IMPROVED FOR THE FUTURE. You are justified in expecting even more sensational performance . . . even more impressive reliability . . . and proved economy from these new 1936 Ford V-8 2-ton and 1½-ton Trucks and Commercial Models. And your expectation will be fulfilled! Your Ford dealer invites you to make an "on-the-job" test under your own operating conditions. Compare V-8 Economy and Performance with your present equipment. Accept this invitation TODAY!

THE 1936 2-TON AND 1½-TON
FORD V-8
TRUCKS AND COMMERCIAL MODELS

Investment Trends —

Reaction in Stock Prices Overdue

• • •

Trade Pact More Favored than Frowned on

As stocks rise higher and higher, warnings that a short-term recession is overdue are becoming more and more frequent. In Canada, the basis of rising national income should eventually mean increases in corporation profits and dividends. Such increases would warrant improved prices for stocks. It may take another year, however, before earnings justify present prices for some securities. Hence, intermediate declines would not be out of order. The longer the volume of trading remains high, at peak prices for stocks, the more likely a recession.

It must not be forgotten that international trade rests to some extent on a shaky foundation of unstabilized currencies. Expectations of devaluation of the franc have been revived. If realized, devaluation might actually be a step toward an improved currency and investment outlook.

Persistently rising power output is one of the best indicators of continued recovery.

The conservatism expressed in British election results and in Rooseveltian pre-election actions bodes well for 1936.

Retail sales volume in Eastern Canada has jumped forward with the approach of Christmas and is generally reported better than in 1934.

Trade Agreement

AS USUAL, disagreement has followed the trade agreement. Canada could modify many of its concessions by re-modelling the intermediate tariff extended to Uncle Sam. Also, it must not be forgotten that the U. S. Supreme Court could pronounce the agreement unconstitutional. If it were to do so, and it might take a year, it would mean an end of reciprocity.

The agreement, from a superficial viewpoint, benefits Canadian primary producers at the expense of industry and does the reverse in the United States. A surprisingly large number of Canadian industrialists, however, hold the opinion that if the agreement really benefits our farm, forest and fishery activities Canadian industry should gain on the whole.

The long-headed investor who profits from the agreement will look ahead, remembering that the agreement is not a treaty and will probably be terminated in a few years when other U. S. political forces get their chance.

Influences bearing on many individual companies are discussed on page 12.

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Danger Spots

AVERAGES for industrial shares are in what is considered the danger area. The Dow-Jones average of industrials at New York has approached 150. The Toronto Stock Exchange industrial average has flirted with 130, and the Montreal Stock Exchange industrial figure is looking toward the top 60's.

According to calculations of the chart readers, the averages are approaching the highest levels they are likely to reach before an important, but temporary, set-back develops.

When stock markets appear rosy, it is difficult to acknowledge the possibility of gloom. It is hard to see whence the cause of a downward turn will come. Some of the possible causes of a set-back are:

Renewed difficulties in France's finances.

Repercussions from application of economic sanctions against Italy.

Cessation of European investment in the United States or dumping by Americans of Canadian securities.

American political or labor unrest.

In view of the solid foundation of investment buying and self-motivating recovery, however, none of the leading authorities expects a long depression of stocks.

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Financing the Rise

ONE striking feature of the rise of stocks in Canada and the United States is the small volume of borrowing on securities. Montreal Stock Exchange brokers' loans, for instance, were only $16.8 millions at the end of October, compared with $16.9 millions at the end of September and $20.4 millions at Oct. 31, 1934. The same experience is recorded in call loans for all Canada and in New York.

Clearly, the advance of stocks has financed itself. Speculators' profits remain in the market, while investment buying has taken securities out of general circulation. The floating supply of stocks and bonds has been shrinking for six years.

This situation indicates that there is ample room for long-term advances in prices of stocks. It will be some time before new issues are created in any volume. Meanwhile, as recovery progresses, shares now outstanding should be worth more.

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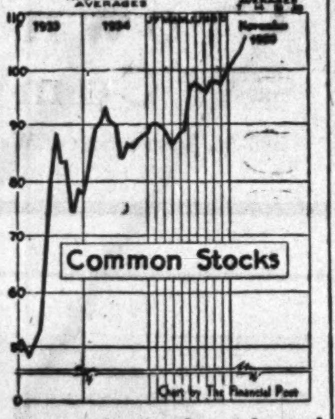
Railways' Burdens

RAILWAY shares continue to act as a drag on New York stock market prices. Their sluggishness may be the barometer of the temporary decline in other stocks that is widely expected. This situation gives special interest to the remarks on railroads recently addressed to the convention of the American Bankers Association by Jesse Jones, chairman of the Reconstruction Finance Corp., who stated:



Common stock prices have advanced to new peaks, as indicated by the graph of movements of the Dominion Bureau of Statistics index. Indices are tabulated on this page.

> "I do not want to be too pessimistic about the future of our railroads, for it would not take a very great increase in revenues to put most of them in the black again. But much new capital is required to put them in condition to handle the increase. How to get this increased capital is a problem, in all probability a government one. Therefore, the outlook for the investor in railroad securities is none too promising."

Banker domination of railways is excessive and costly, Mr. Jones stated. He might have included taxation of rails in this remark.

The significant thing is that more traffic is needed to give railways reasonable earnings. Until it develops, railway shares will continue to becloud the U. S. investment scene, reflecting the absence of recovery in heavy industries. The same tardy recovery in heavy industries remains a major uncertainty in Canada.

• • •

The Next Depression

ONE of the glummest American economists is Dr. Benjamin M. Anderson, Jr., of the Chase National Bank, New York. He is apparently looking forward to the next depression. Dr. Anderson is distinctly apprehensive over the inflationary credit base in the United States.

Excess reserves of the Federal Reserve member banks recently reached $3 billions. It is felt widely among expert observers of the American credit situation that these reserves may be used to expand a tremendous speculative boom, and that the consequent collapse would be worse than the 1929-35 depression.

It is safe to say that American credit expansion is a basic factor indicating a boom in stocks. The important question for the long term investor is when to get out.

• • •

Gasoline Tariff

INVESTIGATION of the gasoline tariff at Ottawa cannot be expected to help prices for shares of the large Canadian oil companies. Firms like Imperial Oil, B. A. Oil, McColl-Frontenac, Canadian Oil and others, were able to earn dividends before the gasoline tariff was raised; but the companies say they would not have been able to combat cheap, inferior products in the depression period without tariff assistance.

Government, Municipal, Public Utility and Industrial Bonds

List of current offerings furnished on request

NESBITT, THOMSON
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355 St. James Street, Montreal
Branches in all Principal Cities of Canada
119

Toronto Stock Exchange Will Erect New Building

Mining and Industrial Trading Will Take Place on One Large Floor in 16 Months' Time— Financing Arranged

Toronto Stock Exchange is to have an enlarged home.

All members gave the project their unanimous approval at a special general meeting on November 13. Moreover it was decided to build on the Bay Street site rather than to replace the Temperance St. building formerly occupied by the Standard Stock & Mining Exchange.

Since the amalgamation of the Toronto Stock Exchange and the Standard Stock & Mining Exchange 18 months ago mining business has been conducted at the Temperance St. building where there was a large floor, and industrial trading at the Bay St. site. It is now intended to have one floor large enough to accommodate all trading in industrial, mining and other types of listed stocks.

Past Plans Materialize

Back in the boom days both the predecessor exchanges found it necessary to expand. The Standard Stock and Mining Exchange moved from Premier Trust building, Richmond St. West to a much larger site on Temperance St. The Toronto Stock Exchange likewise found its facilities becoming inadequate and bought properties to the south and west to allow it to erect a larger and more modern stock exchange building at need. The depression postponed the day of need but recent spurts of activity are the handwriting on the wall.

While the new building is being erected mining trading will continue at the Temperance St. building and trading in industrial stocks will take place at the old Premier Trust building. Six months' notice has to be given to the tenants of the Bay St. building and another ten months for demolishing the present structure and erecting another. It may therefore be 16 months before the opening of the new exchange.

Will Borrow $500,000

Final details of the new building have not been determined in every respect. Several plans are before the management committee. The building will have a frontage of 97 feet and a depth of 110 feet. Everything will be subordinated to the interests of the trading floor and only offices useful to the exchange will be arranged for in the building.

The new building will cost $450,000 and the equipment will cost another $100,000. The building will be air-conditioned, the lighting indirect and the equipment the most modern available. The trading floor will contain 8,000 square feet as against a total net trading area of 5,360 square feet now. This compares with 21,000 square feet of trading floor enjoyed by the New York Stock Exchange and 13,000 sq. ft. by the New York Curb.

The management committee has been offered a loan on mortgage of $500,000 at not more than 5 per cent. This will cost $25,000 in interest but disposal of Temperance St. and other properties and subsequent economies may more than offset this extra cost later.

Famous Players Refunding Expected but No Move Yet

Investment dealers in Canada cast their eyes frequently at the possibility of refunding operations by Famous Players Canadian Corp. It has outstanding nearly $5 millions of 6 per cent first mortgage 20-year sinking fund gold bonds due April 1, 1948 and $2.8 millions 6½ per cent 20-year gold debentures due April 1, 1948. Success of other corporations in refunding operations at low rates has led various investment dealers to approach this company with suggestions.

Directors of the company themselves are reported to have considered the matter from time to time but no arrangement has yet been made. The bond interest has always been well covered both before and after depreciation even during the depression years which are notoriously hard on moving picture companies. Working capital was strong at the end of 1934.

Earnings in 1935 are believed to be well up with those of 1934. The company did not make so much money in Ontario because of the increase in amusement taxes but it did better elsewhere in Canada. Just recently the Ontario government made some reduction in taxes on low-priced tickets, but the industry has been asking for still more consideration.

It would be necessary for the company to pay a premium of about $3.50 on every $100 par value of bonds to redeem them. That would still permit a good saving to the company if it could issue bonds at below 5 per cent as some other companies are doing.

Investment Notes

C.P.R. and Agreement

THE U.S. trade agreement, if it helps to stimulate transportation of goods, should be beneficial to C.P.R. The company needs increased traffic more than anything else. Recent increases in wheat exports may indicate a better winter season. Fall shipments have been disappointing.

• • •

Bank of Canada Up

BANK OF CANADA shares have risen from $52 to $54 since it was pointed out in The Financial Post that nationalization can be effected by other means than redemption of the stock at $50 a share. The shares are too high if the government decides to redeem them at $50 each. The probability of loud complaints in the event of such redemption leads to expectations that some other method of "nationalization" may be followed. There is still a probable profit in the shares . . . if, remember, it is definitely decided to leave them outstanding and carrying the dividend of $2.25 a share.

• • •

Massey-Harris Gyrations

MOVEMENTS of Massey-Harris common have been attributed to pool sponsorship. There is no change in the company's immediate position to warrant the sudden popularity of the stock at higher prices. Recovery in the company's affairs waits on agricultural recovery to which, of course, the U.S. trade agreement should give some impetus. For a long time, however, the company will have to devote any earnings to senior securities.

• • •

Earnings From Whisky

MAINTENANCE of high earnings of Canadian distillers for some time appears highly probable because of the reduction of U.S. import duty on aged spirits. Hiram Walker-G. & W. and Distillers Corp.-Seagrams could pay dividends fairly soon. Melchers may now make a payment as higher revenue is assured. Brewers and Distillers of Vancouver may eventually return a good yield on the market price of less than $2 a share. Moral and legal problems have long been the chief objections to investment in distilleries. They will remain, although in lesser degree than in the immediate post-war years.

• • •

Rogers-Majestic

SOME investors may recall that estimates of high earnings for Rogers-Majestic Corp. in 1934 were far wrong. It might be misleading to expect reports of high sales to mean big profits this year. While it is stated officially that the reduction in radio tariffs will not hurt the company materially, the lower duty at least cannot be helpful.

• • •

Ford Problems

FORD OF CANADA has not been making substantial profits despite this year's good volume. Hence the adversities to the company in the U.S. trade agreement cannot be viewed smilingly. For 1936, the company requires maintenance of volume and low costs. The recent price reductions on new models, if they have to be maintained, bode no good.

• • •

Winnipeg Electric Values

MAINTENANCE of recent improved values for securities of Winnipeg Electric Co. and its various subsidiaries depends largely on the reorganization. It is now up to shareholders.

Winnipeg Electric preferred shareholders meet to consider the scheme on Dec. 3, and both preferred and common shareholders meet on Dec. 17. If the Winnipeg Electric shareholders pass the scheme, the meeting of common shareholders of Manitoba Power Co. and Northwestern Power Co. can be expected to approve. Most of this stock will be voted by officials of Winnipeg Electric Co. which controls the two power companies.

If Winnipeg Electric shareholders turn the plan down, the future of their investments will indeed be dark.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 15	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 19	Beverages 8	Total industrials 87	Total utilities 20	Total co's. 112
1929-34:*										
High	383.8	118.2	267.4	418.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	68.5	27.3	44.0	30.5	38.6
Monthly Figures, 1935:										
January	129.4	14.0	71.5	181.5	75.8	134.2	106.8	129.7	50.4	90.5
February	126.4	13.4	67.4	197.7	75.6	131.3	108.1	128.8	49.4	89.6
March	117.0	11.6	56.0	176.0	74.1	126.5	101.6	125.6	45.1	86.1
April	119.4	11.1	56.9	178.6	73.1	125.1	99.6	130.8	43.8	88.5
May	121.9	10.8	59.9	211.7	70.3	127.8	102.4	144.4	44.4	96.8
June	118.6	10.5	58.4	217.9	67.2	127.0	104.7	145.2	45.0	97.1
July	122.2	10.6	57.4	210.8	66.7	128.5	116.7	143.8	44.7	95.5
August	122.1	12.0	59.3	210.0	65.5	130.1	122.9	146.1	47.7	98.2
September	118.7	12.4	61.2	206.6	61.8	128.7	126.5	147.1	46.3	97.5
October	123.0	12.6	60.9	215.1	63.5	134.4	133.2	152.9	45.6	100.0
Weekly Figures, 1935:										
Nov. 7	128.6	13.7	64.6	231.8	69.4	143.2	149.3	163.7	48.2	106.7
Nov. 14	126.9	14.0	66.4	230.9	68.7	144.4	152.9	166.3	49.6	108.7

*High and low of years from 1929 to 1934 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Nov. 19	127.89	108.68	103.24
Nov. 18	127.95	107.64	103.95
Nov. 16	127.42	107.83	104.13
Nov. 15	125.44	108.11	104.21
Nov. 14	124.90	108.67	105.34
Nov. 13	123.81	108.71	103.41
Month ago	115.26	104.81	93.92
Year ago	100.23	107.01	78.02
High, 1935	128.33	123.68	105.34
Low, 1935	97.90	96.79	80.83

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Nov. 19	69.0	65.4	66.6
Nov. 18	69.1	65.2	66.5
Nov. 16	68.2	64.8	66.0
Nov. 15	67.9	64.1	65.4
Nov. 14	67.1	64.0	65.0
Nov. 13	67.4	63.6	64.8
Month ago	62.2	60.4	61.0
Year ago	56.7	56.1	56.4
High, 1935	69.1	65.3	66.5
Low, 1935	56.1	54.8	56.1

HOWARD SMITH WILL CONSIDER PREF. ARREARS

Directors to Meet — Business Volume Maintained at 1934 Level

Directors of Howard Smith Paper Mills Ltd. will meet soon to consider a plan for the resumption of preferred dividends and the reduction of arrears. By the end of the year, preferred arrears will amount to $28.50 a share.

Montreal quarters do not anticipate action in connection with dividends until after the New Year, but a plan is being prepared and will be placed before the directors at the forthcoming meeting, Montreal advices state.

Business of the company has been running at a level corresponding to the volume of 1934, and as 1934 operating results were equal to $6.94 a share on the preferred, against dividend requirements of $6 a share, investment interest in the prospects for dividend resumption has been marked. It is unlikely, however, that a definite basis for payment of arrears will be reached until the results of the full year 1935 are known.

New Investment Firm, A. H. Smith & Co. Formed

A. H. Smith & Co., Toronto, has been formed to conduct a general investment business. The principals were formerly members of the bond department of Aird, McLeod & Co., Toronto Stock Exchange firm.

Arthur H. Smith, president of the new firm, was a director of Nesbitt, Thomson & Co. before joining Aird, McLeod & Co. J. W. Powell, T. A. V. Carey, Walter McL. Harris, H. J. Hoops and James S. Lockie will be associated with Mr. Smith. Mr. Hoops will be in charge of bond trading and Mr. Lockie will be office manager.

U. K. Buys Canadian Hardwood

Active demand for Canadian hardwoods continues in the United Kingdom but prices are low. In British Columbia, production is rising to pre-depression levels. Official figures from Victoria give a 15 per cent increase in the log scale for the first eight months of this year over 1934.

Metal Prices

New York—Nov. 19—
Copper: Electrolytic spot and future, $9.25.
Silver: 65⅝c.
London—Nov. 19—
(Long Ton)—
Copper: Electrolytic spot, £39 5s; future, £39 15s. Standard spot, £35 7s 6d; future, £35 15s.
Tin: Spot, £228; future, £212 10s.
Lead: Spot, £18; future, £18.
Zinc: Spot, £16 2s 6d; future, £16 5s.
Gold: 141s 6½d.
Silver: 29-5/16d.
Canada—Nov. 19—
Gold: $35.22.

DUTY LOWERED FOR PRODUCTS PAGE-HERSEY

But Company Hopes for Compensation in General Revival

Page-Hersey Tubes, Ltd., has its protection reduced by about 2½ per cent by the new Canada - U. S. trade agreement. It expects to lose a little business in its sales of pipes and tubing for every industrial purpose on this account, but its president, C. L. Dunbar, K.C., expresses the hope that increased prosperity in Canada as a result of the treaty will more than make up for other losses. He was a supporter of the reciprocity treaty which was turned down in Canada in 1911, and believes that greater trade between the peoples of the United States and Canada should be beneficial to industry.

The company may also have some compensating advantages from lower duties on machinery it buys. For this company as well as for others all the data are not in. It is generally expected that arrangements will be made with the United Kingdom, and what is done in the direction of lower tariffs against Great Britain will be more serious than the reduction effected by giving the United States the benefit of the intermediate tariff.

Protective Committee Formed for Scarboro

With fiscal agents of the township of Scarboro, Ont., engaged in drawing up a plan for refunding, announcement has been made of the formation of a protective committee to represent interests of debenture holders.

Township of Scarboro defaulted payment of debenture interest Dec. 15, 1932. On Dec. 28 of that year a committee of supervisors was appointed. During 1934 debenture interest was reduced to a partial payment of four per cent on account.

At the end of 1934 the committee of supervisors retired, and the municipality was brought under the supervision of the Ontario Department of Municipal Affairs. No payment has been made on account of 1935 debenture interest.

The statement announcing the formation of the protective committee states that it is understood that such payments have been deferred pending a decision upon the rate of interest to be disbursed on account of all 1935 debenture coupons.

The Trusts and Guarantee Co. Ltd. has been appointed depositary for the committee.

The members of the committee are as follows: J. T. Bryden, J. H. Christie, John L. Coburn, Robert Lewis and Prof. J. C. Robertson, all of Toronto. N. D. Crisp, 80 King St. W., Toronto, is secretary.

Dominion of Canada Bonds
Fundamental to a Sound Investment Policy

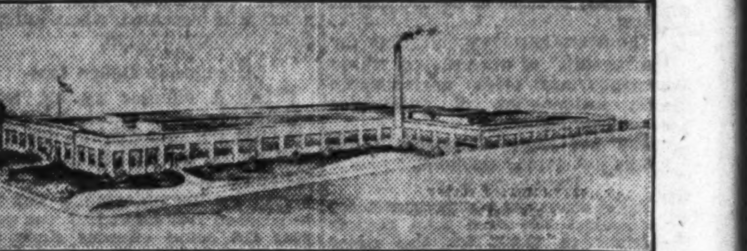
Dominion of Canada Bonds should be the foundation of every investment portfolio. Ready marketability, security and regularity of income are combined in these Bonds—the safest investment available to Canadians.

Dominion of Canada 3% Bonds
Due June 1st, 1955.
(Callable June 1st, 1950, at 100 and interest)
Denominations: $500 and $1,000.
Price: 98.75 and interest, yielding 3.08%

It is convenient to order by mail.

Wood, Gundy & Company
Limited
Toronto, Montreal, Winnipeg, London, Eng.
36 King Street West
Toronto
Telephone: Elgin 4321
Ottawa, Hamilton, Vancouver, London, Ont.

New $300,000 Factory



The new plant of National Cash Register Co., at Dundas St. and Lansdowne Ave., Toronto, will be ready for occupancy on May 1 next year, according to present construction schedules. The plant, costing $300,000, will house all phases of design and manufacture of the company's products under one roof, replacing the former Toronto factory which has been found too small to accommodate the company's growing Canadian business.

EVERY DOLLAR IN ASSETS under CAPITAL TRUST administration is four times safeguarded—by the watchfulness of efficient officers, by the superintendence of a qualified directorate, by Dominion Government inspection, by ample resources providing dollar for dollar security.

CAPITAL TRUST
Corporation Limited
MONTREAL OTTAWA TORONTO

New Issue *November 20th, 1935.*

$2,450,000

Canadian Utilities, Limited

First Mortgage Twenty-Year 5% Bonds, Series "A"

Dated September 1st, 1935 Due September 1st, 1955.

Principal and semi-annual interest (March 1st and September 1st) payable in lawful money of the Dominion of Canada in the cities of Calgary, Vancouver, Victoria, Winnipeg, Toronto, Montreal, Saint John and Halifax or at the holder's option in lawful money of the United States of America in the City of New York. Coupon bonds in denominations of $1,000 and $500, with the privilege of registration at the office of the Trustee or the Agency of The Royal Bank of Canada in the City of New York. Redeemable at the option of the Company on any interest payment date at 105 on or before September 1st, 1940, 104 on or before September 1st, 1945, 103 on or before September 1st, 1950 and 102 thereafter and before the maturity date.

MONTREAL TRUST COMPANY, Trustee.

CAPITALIZATION

	Authorized	Outstanding
First Mortgage Bonds		
First Mortgage Twenty-Year 5% Gold Bonds, Series "A", due Sept. 1, 1955	Open*	$2,450,000
Municipal Debentures Assumed (Due after August 31st, 1936)		146,111
Demand Promissory Notes (Not Current)		1,000,000
6% Preferred Stock — $100 par value (Non-Cumulative)	10,000 shs.	7,000 shs.
Common Stock — $5.00 par value	300,000 shs.	170,100 shs.

* Issuable under the restrictive provisions of the Indenture in series in an unlimited principal amount.

BUSINESS AND PROPERTIES: Canadian Utilities, Limited, incorporated under the laws of the Dominion of Canada on May 18, 1927, furnishes without competition electricity in eighty-five communities in the Provinces of Alberta and Saskatchewan.

EARNINGS: The tabulation below with respect to earnings of Canadian Utilities, Limited and of Union Power Company, Limited (the assets of which have recently been acquired by Canadian Utilities, Limited) for the calendar years ended December, 1932 to 1934 inclusive, and for the year ended August 31st, 1935, has been prepared from the report thereon by Peat, Marwick, Mitchell & Co.

	Gross Earnings	Operating Expenses Main. and Taxes (Excl. Income Taxes)	Total Operating Income Before Depreciation	Depreciation
1932	$ 999,307.59	$608,956.66	$390,350.93	$88,925.75
1933	978,352.73	584,487.81	393,864.92	95,662.70
1934	996,817.94	598,517.65	398,300.29	96,982.41
Year Ended August 31, 1935	1,029,454.38	628,982.00	400,472.38	98,279.02
Average for 4-Year Period	$1,000,983.16	$605,236.03	$395,747.13	$94,962.47

For the three years ended December 31st, 1934 and the year ended August 31st, 1935, average operating income available for interest and depreciation was $395,747 or more than 2.98 times annual interest requirements, amounting to $122,500 on the $2,450,000 First Mortgage Twenty-Year 5% Bonds, Series "A" and $10,066 on the Municipal Debentures outstanding at August 31st, 1935, including $32,620.82. thereof due prior to August 31st, 1936, assumed by the Company.

After deducting from such operating income, the average depreciation for the above periods, the balance is equal to $300,785 or more than 2.26 times such annual interest requirements.

SECURITY: The First Mortgage Twenty-Year 5% Bonds, Series "A", are, in the opinion of Counsel, valid obligations of Canadian Utilities, Limited, and are secured by a First Mortgage lien and charge upon all lands and premises in the Provinces of Alberta and Saskatchewan. The Trust Deed also creates a floating charge on all the property and assets both presently owned and hereafter acquired by the Company.

The Company covenants that so long as any of the bonds of Series "A" remain outstanding it will not pay any dividends on its Capital stock; pay any interest on its funded debt other than interest on these bonds and secured by this Indenture; pay any interest due to the parent company or to affiliated companies as more fully described in the Prospectus; or make any payments to the parent Company on account of any management contract or any other arrangement providing for payment for services of any name, nature or description, when having the effect of reducing its Net Working Capital as defined in the Indenture to less than $200,000.

ASSETS: Depreciated assets, including real estate, plant and equipment, transmission and distribution lines, are carried on the books of the Company as at August 31, 1935 at $4,192,590, Net current assets as of August 31, 1934 were $172,178. Total depreciated net assets were, therefore, $4,364,768 against $2,450,000 First Mortgage Bonds now outstanding.

APPLICATION OF PROCEEDS: Proceeds to be realized from the sale of these bonds will be paid to the Guaranty Trust Company of New York, and applied by it to the purchase and to the retirement, and/or redemption of First Lien and Collateral Trust Gold Bonds 6½%, Series "A", of Dominion Gas & Electric Company.

This issue of $2,450,000 5% Bonds replaces an issue of $2,450,000 Canadian Utility 6½% First Mortgage Bonds, due July 1st, 1945 and $950,000 Union Power 6½% First Mortgage Bonds due July 1st, 1945, or a combined total of $3,400,000.

This issue has been approved by the Securities and Exchange Commission of the United States.

A substantial portion of these bonds is being offered in the United States by E. H. Rollins & Sons, Inc., Burr & Company, Inc., Chandler & Company, Inc. We offer the balance when, as and if issued and received by us, at:—

Price: 95 and Accrued Interest, to yield over 5.40%

W. C. Pitfield & Company, Limited
TORONTO
VANCOUVER OTTAWA MONTREAL QUEBEC SAINT JOHN MONCTON HALIFAX

The above statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

Bond Markets

Middle Term Issues Favored

* * *

Dominion Lending to Alberta

Bond markets are firm due to steady investment demand and absence of international disturbances. Issues of 15 years or less are in greatest favor because of doubt over the longevity of present low interest rates. Quick oversubscription of Nova Scotia 5-year 2½'s and 12-year 3's, to yield 2.45 and 3.20 per cent respectively, indicate this.

The syndicate selling the recent issue of $3.5 millions of Saskatchewan bonds has terminated with the issue satisfactorily placed. This has helped raise western provincial bonds in the past week.

There is more corporation refinancing coming, as prices remain strong, which means that bondholders will have to scramble to obtain good yields.

Bonds of newsprint firms have risen sharply as hopes have grown that an open price war will be averted.

Re-election of the Taschereau government in Quebec would not weaken political opposition to Ontario's Hydro repudiation policy.

Western Provinces

HOLDERS of western provincial bonds should have noted that Alberta has received a loan of $1 million from the Dominion to tide over the province until after the premiers' conference early in December. The province had asked for $2 millions. The Aberhart Social Credit government has now borrowed a total of $3,250,000 from Ottawa.

The loan signifies that the new Dominion government will carry on the policy of lending to the western provinces, pending a longer term settlement of western finances. The loan also indicates the difficulties with which the Alberta government will have to contend. This may mean that the province will learn that "social credit" cannot replace real money. It may also lead to a claim that "social credit" will have to encompass all Canada.

* * *

Sales of New Bonds

COMING bond issues are chiefly to fund bank loans for the long term, or to pay off present bondholders and refinance at reduced rates. Union Gas is funding bank loans. B. A. Oil convertible 5's of 1945 are comparatively low, at 106, indicating fears of redemption. Famous Players would find it profitable to redeem and refinance its six and 6½ per cent issues. New Brunswick has $1,750,000 of six per cent bonds maturing Jan. 1, 1936, that will probably be refinanced at a low rate.

* * *

Buying Middle Term

INVESTORS are becoming aware that low interest rates may not last a generation and are most favorable to middle-term bonds. Rates on gilt-edged issues may rise to four or 4½ per cent in, say, 10 years. Then a three per cent bond maturing in 1960, now worth 99, might be below 80. But the holder of a three per cent bond maturing in 1950, now worth 99, would have a short-term security. In 1945, it would still be worth close to 100. If the investor buys high quality bonds at present, he gets little more than two per cent on short-term issues. He can get a better yield, and still hedge against the risk of a price decline, by buying 10 to 15-year issues.

The firmness of the gilt-edged market, a basic factor in spreading low interest rates to other securities, is indicated below:

The Financial Post Average Yield and Price for Seven High Grade Bonds

1935	Yield %	Price $	1934	Yield %	Price $
Nov. 19	3.601	111.59	Nov. 19	3.710	110.40
Nov. 18	3.599	111.61	Nov. 17	3.706	111.45
Nov. 16	3.591	111.66	Nov. 16	3.700	111.51
Nov. 15	3.591	111.66	Nov. 15	3.691	111.61
Nov. 14	3.591	111.66	Nov. 14	3.701	111.42
Nov. 13	3.591	111.66	Nov. 13	3.751	110.88
Nov. 12	3.610	111.51	Nov. 12	3.769	110.69
Oct. 31	3.700	110.62	Oct. 31	3.807	110.30
Year's	3.367	114.97	Year's	3.373	115.00
Range	4.097	106.57	Range	4.517	102.54

* * *

Profits in Defaulted Bonds

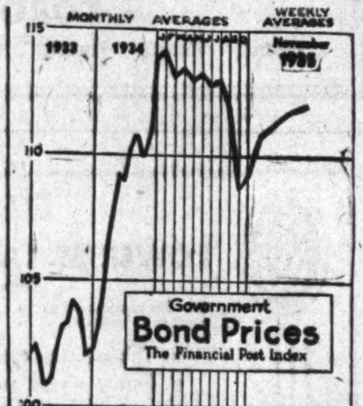
BECAUSE of the sharp rise of the highest grade bonds in the past two years, there is less and less chance of further profits to the investor in such issues. To obtain capital profits in bonds under present conditions, it is necessary to buy speculative issues. Some of the most popular are defaulted Ontario municipal bonds such as those of Windsor and the thickly populated townships bordering Toronto: York, North York, and so on. Such issues command a fairly active market and pay at least part of interest. They all sell far below face value.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Barcelona Trac.	6½%	1965	Dec. 1	‡100
Consumers Glass	5%	1948	Dec. 1	103
Int. P. & P. Nfld.	4½%	1948	Jan. 15	100
Mtl. Coke & Mfg.	5½%	1947	Dec. 1	102
Ont. Steel Prod.	6%	1943	Dec. 1	†110
Riordon P. & P.	6%	1942	Dec. 31	■105
Acadia Sugar ..	6%	1946	Jan. 1	103
Matapedia Val. L. & Pr.	6½%	1944	Feb. 3	102½
Can. Nor. Rly. .	7%	1940	Dec. 1	102½
Ham. By-Prod..	7%	1943	Feb. 1	102
Mt. Royal Tunnel	5%	1970	Apr. 15	100
Colon'l Wire Mfg.	6%	1945	Jan. 2	105
Can. Rolling Mills	6%	1938	Jan. 2	*102½

For sinking fund: ‡£15,100. ■$74,000. †$23,900. *Together with interest at 7 per cent per annum from date of last paid coupon.

Stock Issues:	Rate	Stock	Date	Price
Can. Dredge & D.	7%	Pref.	Jan. 31	107½
Can. Packers ...	7%	Pref.	Jan. 1	110



Bond Sales

Dominion of Canada

Dominion of Canada has sold $20 millions of treasury bills dated Nov. 15 and due Feb. 15, 1936, at 99.68, a cost basis of 1.271 per cent. This represents a continuance of the downward trend of interest rates on treasury bills. The last issue was sold at 99.67298, a cost basis of 1.302 per cent.

Nova Scotia

Province of Nova Scotia has sold $7,152,000 bonds to a syndicate headed by the Bank of Montreal at an average price of 97.896 costing 3.014 per cent. The issue consisted of $3,012,000 of 2½ per cent 5-year debentures and $4,140,000 three per cent 12-year debentures. Bids were:

	Bids 2½% 5-yr.	3% 12-yr.
Bank of Montreal; Bank of N.S.; Dominion Bk.; Royal Secs. Corp.; Hanson Bros.; Meade & Co.; McLeod, Young, Weir & Co.; Fry, Mills, Spence & Co.; Bell Gouinlock & Co.; Irving, Brennan & Co.	99.61	96.61
Wood, Gundy & Co.; A. E. Ames & Co.; Dominion Secs. Corp.; Royal Bk.; Bk. of Comm.; Eastern Secs. Corp.; R. A. Daly & Co.; Griffis, Fairclough & Norsworthy; Dyment, Anderson & Co.; Cochran, Murray & Co.; Matthews & Co.; Midland Secs. Corp.; Gairdner & Co.; J. L. Graham & Co.; C. H. Burgess & Co.; Nesbitt, Thomson & Co.; A. T. Ross Ltd.; T. M. Bell & Co.	99.78	96.037

Mostly Canadian

Almost 90 per cent of Canadian wheat is contained in the Scottish-milled flour used by bakers of Aberden, Scotland.

$2,450,000 ISSUE BY CAN. UTILITIES YIELDS OVER 5.4%

Bonds Marketed in Both Canada and United States

An offering of $2,450,000 of five per cent first mortgage bonds of Canadian Utilities Ltd., subsidiary of Dominion Gas & Electric Co., is being made in Canada at 95 and in the United States at 93.75. The difference in offering prices compensates for the foreign exchange spread.

The Canadian offering is made by W. C. Pitfield & Co. and the American sale is being handled by E. H. Rollins & Sons, Burr & Co. and Chandler & Co. Application for the offering has been filed with the U.S. Securities and Exchange Commission.

The bonds currently offered had been issued to the parent company in connection with the acquisition from it of Union Power Co. another Dominion Gas subsidiary. Proceeds of the offering will go to Dominion Gas & Electric.

Formerly Mid-West

Canadian Utilities Ltd. was formerly Mid-West Utilities. It produces and distributes light and power in Alberta and Saskatchewan from plants with a combined generating capacity of 7,300 k.w. It also contracts for purchase of an additional 960 k.w.

All the company's common stock is owned by Dominion Gas & Electric. The former 6½ per cent first mortgage bonds of Canadian Utilities were deposited as collateral security for Dominion Gas 6½ per cent bonds. Under the amendment to the indenture securing the Dominion Gas issue, Dominion Gas was enabled to retire its own 6½ per cent bonds by liquidating bonds of subsidiaries pledged under the indenture. Dominion Gas was also able to retire the bank loan of Canadian Utilities which was $326,735 at April 30, 1933.

Description of the Canadian Utilities issue follows:

Particulars of Issue

Issue—$2,450,000 of five per cent 20-year first mortgage bonds. Dated Sept. 1, 1935, due Sept. 1, 1955. Payable in lawful money of Canada or United States at holder's option.

Company—Serves 85 municipalities in Alberta and Saskatchewan, population 57,000, with electric power.

Capital—First mortgage bonds, open issue, outstanding $2,450,000, series A; assumed municipal of $146,111; demand notes of $1 millions held by parent and affiliated companies of Dominion Gas & Electric group; six per cent preferred stock, 10,000 shs. authorized, 7,000 shs. outstanding; common stock, $5 par, 300,000 shs. authorized, 170,100 shs. outstanding.

Redeemable—At 105 to 1940; 104 to 1945; 103 to 1950; at 102 thereafter.

Security—First mortgage lien and charge upon all lands and premises of the company in Alberta and Saskatchewan. Also a floating charge on all property and assets presently owned and hereafter acquired.

Assets—Total depreciated assets as at August 31, 1935, totalled $4,364,768. Net current assets as at August 31, 1934, amounted to $172,178.

Earnings—For the three years ended Dec. 31, 1934, and the year ended Aug. 31, 1935, average operating income available for interest and depreciation was $395,747 or more than 2.98 times annual interest requirements. After deducting from such operating income, the average depreciation for the above periods, the balance is equal to $300,785 or more than 2.26 times interest requirements.

Offering—In Canada by W. C. Pitfield & Co. at 95 and accrued interest, to yield over 5.40 per cent; In United States by E. H. Rollins & Sons, Inc., Burr & Co. and Chandler & Co. at 93.75.

NOVA SCOTIA BONDS QUICKLY OVER-SOLD

Yields 2.45 and 3.20 Per Cent on $7,152,000 Issue

From Our Own Correspondent

MONTREAL.—Public offering of an issue of $7,152,000 of Province of Nova Scotia bonds has been quickly over-subscribed.

The issue was handled by a syndicate headed by the Bank of Montreal, and includes the Bank of Nova Scotia, the Dominion Bank, Royal Securities Corp., McLeod, Young, Weir and Co., Hanson Bros., Fry, Mills, Spence and Co., McTaggert, Hannaford, Birks and Gordon, Bell, Gouinlock Co., Mead and Co., and Irving Brennan and Co.

The offering covered two maturities, one at 2½ per cent, five-year term and the other of 3 per cent, twelve-year term. Bonds carrying the lower coupon amounted to $3 millions and were offered at $100.25 to yield 2.45 per cent to maturity. The balance was offered at $98 to yield 3.20 per cent to maturity.

Patent Medicine Sale Is Highest Since 1929

An important business group in Canada little heard from in the news columns is the patent medicine industry. Two important companies which take a big share of the business in Canada both report higher sales.

New figures recently compiled at Ottawa show total sales (at factory in 1934) of medicinal preparations to have been about $19 millions—ten per cent higher than the previous year and at the highest point since 1929. Costs of raw materials are also higher by slightly more than 10 per cent last year. These sales figures of course represent only prices at factory and should be roughly doubled to indicate retail sales in any one year.

Non-Ferrous Metals

Final statistics for 1934 show that manufactures from non-ferrous metals amounted in value to $237,233,670 at the works. This total was 44 per cent above the corresponding value of $164,765,604 for 1933 and was higher than in any preceding year except 1929 when the peak of $283,545,666 was attained, output was valued at $250,458,721. There were 487 factories at work.

Bond Tenders

6 p.m., Nov. 26, St. Colomb De Sillery, Que.—$41,500, 4 per cent bonds, redeemable serially from Nov. 1, 1935, to Nov. 1, 1975. J. O. Frechette, sec.-treas.

4 p.m., Nov. 21, Granby Catholic Sch. Comm., Que.—$150,000, 4 per cent bonds, redeemable serially from Dec. 1, 1935, to Dec. 1, 1960. J. Lemieux, sec.-treas.

5 p.m., Dec. 4, Shawinigan Falls, Que.—$221,100, 4 per cent, dated Nov. 1, 1936, redeemable serially to Nov. 1, 1965. A. J. Meunier, sec.-treas.

"Bax" is Elected

New Recruit to British House of Commons Owes Much to Canadian Background

BY JOHN BAYNE MACLEAN

The election of Arthur Beverley Baxter to the British House of Commons, and with such a large majority, brings much joy to this institution. Baxter is one of our "finds" of pre-war days, and a boy who should be a power in British public life.

T. B. Costain, who recently retired from the editorship of The Saturday Evening Post, had been a member of our staff and was promoted to the managing editorship of Maclean's Magazine. Following each issue I went over its contents with him, generally criticizing the weakness of the contents and suggesting improvements. I had for some time been, perhaps, more critical than usual. Poor Costain was worried and not really to blame.

Problem of Writers

The problem was to find and usually to train Canadians to write what our readers were willing to pay for. This condition is almost invariably overlooked by young and amateur writers in particular, and the public to some extent. When their writings are turned down—even with, as we always try to give them, suggestions on how they could be improved—we are persistently abused. The fact is that magazine publishers are really literary merchants, just like Eaton's or Simpson's, or any other storekeeper. We can sell only what the public wants.

One day I found a really worthwhile story by a writer I had never heard of before. It interested me very much. I asked Costain where he got it and who was the writer. I recall very well he was rather apologetic and said the writer was a young clerk in a Nordheimer piano store. He explained further that the article had been rewritten several times by the author following suggestions made by Costain before it was published. I said: "Get that boy. Get him on the staff if he can do that kind of work."

Arthur's Grandfather

The boy was Arthur Beverley Baxter. I had never met him, but I knew his grandfather well—a grand old Englishman who had migrated to Canada and was not only a citizen but a popular institution of Toronto. He was a perennial alderman, a justice of the peace, and a character of whom many humorous verses were written, some of which were adapted to music and sung at political and other gatherings.

He was a very heavy, powerful man, which Arthur is imitating. As a J.P., he sometimes held court in his front parlor to meet the convenience of the police or offenders. Usually he had some law books on the table to which he paid little attention. Like Colonel Denison, his senior on the bench, his decisions were always based on common sense and fair play. And I never heard of them being reversed.

Meets Beaverbrook

During the war, Baxter enjoyed the confidence of Sir Arthur Currie. When the latter found that, in the public interest of Canada, important information should be passed unofficially to us, Baxter was the medium. At the conclusion of the war, Baxter wrote us that he could get information for some timely articles for Canadians if we could secure permission for him to go through the lines into Germany, and that Lord Beaverbrook, press censor, was the man. The matter was at once taken up. Beaverbrook cabled me promptly to say he would do everything possible, and asked us to send Baxter, then in France, to him. But Beaverbrook "put one over us," which, happily, turned out very well for Beaverbrook and Baxter.

It had been arranged that Baxter should return and join our staff in Canada after his German visit. But Beaverbrook asked him to see him immediately on his return from Germany. He went; he saw him, and was at once engaged as an assistant on the Express. Since then, he has climbed steadily and has continued his writing, some of which, including his latest success, "Strange Street," has appeared in Maclean's.

There are many English M.P.'s who are neither ornamental, useful, nor interesting. Not so Baxter. He has the gifts and experience to make himself a valuable advocate of Canadian interests and to lead movements for Empire building.

Samuel Nordheimer

The Nordheimers under whom Baxter got his basic business training, were German Jews—among the most popular members of Toronto's exclusive society. They were unusually able, high principled and always trusted, and they built a great fortune making and selling pianos. Samuel, the senior, lived in grand style in perhaps the largest house in Toronto. He had an extraordinary sense of humor which supported him in very heavy financial reverses. I never knew a man who had such a capacity for quick, clever, very witty but always kindly repartee.

I have observed that nearly all successes are due to two factors: First, sound home or school training in character. And next, the training and inspiration they get from their employers or senior associates in business or professional life. Baxter acts basically like his grandfather as I knew him. In his social, newspaper, movie and political career he is the brilliant Sam Nordheimer product.

All of which promises well for his public career.

In the Mail

Peat Fuel in Canada

Editor, The Financial Post,

I noted an item in The Financial Post recently referring to peat fuel in Ontario. A clipping from the Stratford Beacon-Herald referred to the plant near Stratford now making peat. Peat fuel was manufactured a few miles out of Stratford about 34 years ago. The plant was operated by a man named Ardagh. They put in a great deal of equipment and produced peat fuel, stamped in the form of nuggets about the size of a baseball, but more oval in shape. The hardware company with which I was associated at that time sold a great deal of hardware to the company operating the peat plant and in turn the hardware company secured the agency for the distribution of the peat in Stratford, Ontario.

Several carloads of peat were sent out one winter, and distributed in bags containing about 100 pounds. There happened to be a shortage of fuel that year, and I recall that the peat sold very quickly and was distributed around a few hundred pounds to each customer.

Reader.

Toronto.

Support of League

Editor, The Financial Post:

The article by J. B. Maclean in your issue of October 5, 1935, purports to deal with the present international situation. Most of it refers to a crisis which arose in 1922 in connection with Turkey. What was said about that was doubtless correct from the point of view of Canadian party politics, but from the Imperial point of view it seemed to me to give an unfair impression of the events.

Most of the civilized nations of the world, including Canada, in their desire to avoid war, have agreed that in the event of a war of aggression being started against any nation they will combine to take action against the aggressor. Such action could not be conditional upon their being directly interested in the questions at issue, for if it were so, all the force of combination would be lost. Mussolini has said that any nation which carries out its pledges in this respect will render itself open to war with Italy. Now England stands to lose everything and to gain nothing by a war in the Mediterranean. But if she were to be diverted from her treaty obligations by threats, there would be an end to all faith and all security. Any dictator who feels disposed to attack a weaker state, however inoffensive and peaceable, would be in a position to do so without fear of interference or reprisals from any nation not directly concerned. At present Canada is doubly protected from outside interference, but if the performance of treaty obligations is to be limited by convenience and expediency, there is no guarantee that she will not be the next victim.

It seems to me that any state which fails to apply sanctions, or which is not ready to support any fellow member which the aggressor may single out for its vindictiveness, is condoning what it has promised to oppose, and forfeits any claim to assistance if it should find itself a victim of similar aggression in future.

R. P. BUTLER.

Wool, Dorset, England.

Land and Re-employment

Editor, The Financial Post:

Now that the election is over, and a strong cabinet has been put into service by Prime Minister King, much new confidence has been established in business circles in Canada. And nearly all industries are planning for and getting better business. The farmer, too, is having a better day. 1936 looks promising.

Private industry throughout Canada in years gone always made it a point, even in bad times, to take care of its workers. Idle men were not thrown on the municipalities. This day must come again, and soon, with our large companies. Now is the time for every employer of labor, factory or farmer, to assist the governments and municipalities in taking up the slack in labor.

If every factory, and many farmers, would take on two or three men or even one man, from time to time, the new earning power would soon show more purchasing power and better times.

Never in the history of Canada have our people deferred their purchases, building, improving, painting, household and personal wants like they have the last five years; which means that the coming year will bring much of this about if reasonable prices are quoted.

We look to governments too much in matters of unemployment. Every municipality and farm district must do its part more fully, by lending a hand to place our people back to work. And when able-bodied men refuse reasonable jobs it would seem timely that they should be allowed no more relief.

We are an agricultural country, and if we are going to prosper as a nation, we must fill up our empty farms with many farm folk who have come to the towns and cities for relief the past five years. The best way to help people is to help them to help themselves; and this can and is being done on the land.

If we are going to keep our factories going, we must also keep on producing from the land.

A. McINTYRE BRUCE,

St. Thomas.

Native Wines Improve

Large Grape Surplus Permits Greater Care in Selection — Half Niagara Crop Becomes Wine

One gathers from a recent Toronto speech by K. H. Smith, general manager of Canadian Wineries, that "the curse" has been lifted from native wines. He claims that "as good, sound and wholesome wines are now made in Canada as in any part of the world."

The Great Boom

Wines have been made in Ontario since 1860, but the greatest expansion has been since 1916. From 1920 to 1925 prohibition was in force in Ontario. But this did not apply to native wines and the demand for them was so great that, to quote Mr. Smith, "there was neither the opportunity nor the incentive to make wine with great care."

Wine made in October was sold in December before it had time to reveal any of its defects. Grapes were purchased by the ton regardless of quality or adaptability for wine-making. Those grapes which gave the largest yield per acre were planted. As a result all this Canadian wine did not enjoy an enviable reputation.

Quality Goes Up

In the last few years quality has rapidly improved says Mr. Smith. Demand has decreased somewhat, and with that decrease the public has become more particular. The surplus of the ordinary variety of grapes has been such as to make them almost unsaleable for a large proportion of wine-making purposes. Farmers have been turning to varieties better adapted for wine-making purposes as they know these can be sold at a premium.

Some excellent Canadian wines are the result. Others will be added as new varieties of grapes are produced. This is a slow process because it takes from five to seven years to bring a vineyard into full production and about two years to produce a palatable wine.

Mr. Smith states that large sections of southwestern Ontario, including the Niagara district and portions of Essex County, are well adapted to the wine industry. From the standpoint of soil conditions, climate and exposure they equal other fine wine sections of the world. Wild grapes grow extensively over all this section of Ontario.

The last financial statement of Bright & Co. told of that company's activity in planting new varieties of grapes. The board evidently holds the same view as the Canadian Wineries manager that progress for grape growers and wine makers alike will come if more attention is paid to Delaware grapes than to the present more numerous Concord. The Delaware does not yield as abundantly as other common varieties, but it is claimed that by proper planting and cultivation this may be overcome. In any case, demand will always be greater and it will command a premium. It is a good table grape as well.

Wine men also want the growing of Catawba grapes, once a famed product of Pelee Island, resumed. This grape does not always mature, but it is claimed that even green Catawbas show 15 per cent more sugar content than common varieties when ripe.

Best Vineyard Outlet

One-half of all the grapes grown in the Niagara Peninsula is used for wine making. In some years it runs as high as 80 per cent.

Nearly all the wine consumed in Canada is native wine. From a world standpoint Canadians are not considered a wine-drinking people. In South Africa the consumption per capita is more than seven times as great as in Canada, and in France it is 250 times as great. Early settlers preferred strong spirits rather than wine and that preference seems to be still apparent in the population today.

Sales Policy

Grape growers of the Niagara district and wine makers want to change that. They have been seeking to impress the government for some years that the real answer to the temperance problem lies in the comparatively free and open distribution of native wines, properly controlled at the point of manufacture as to quality and limited as to alcoholic content.

The change in the law of Ontario in midsummer of 1934, permitting the sale of beer on a freer basis through hotel beverage rooms as well as through Liquor Control Board stores, has diverted some buying from native wines. The drop in prices for all spirituous liquors in 1935 has also had a similar effect. The wine companies find it difficult to meet price decreases of this nature because of high taxes and because the price paid for grapes is fixed by governmental authority and in general has been materially above the regular price for table grapes.

Against Government Interference

Certain dissatisfied grape growers and smaller wine companies are urging the Ontario government to allow only the smaller independent companies the right to sell through retail wine stores of their own. That demand is causing concern to companies like Bright & Co. and Canadian Wineries. These companies are not at all anxious to have wine sold in beverage rooms, along with beer and ale, but would like to preserve the custom developed in the stores already started. They are not satisfied that they will be as well off even if they alone are allowed to sell only through the Liquor Control Board, leaving the stores to smaller companies.

Want Taxes Lowered

All wine companies, large and small grape growers as well, are interested in the move at present under way to get a reduction in taxation so that prices of wine may be lowered to the consumer. Direct taxes in Ontario at present are as follows:

Excise tax, 7½ cents a gallon;

Sales tax, averages 9 cents a gallon;

Ontario gallonage tax, 10 cents a gallon;

Ontario tax on retail sales in private stores, averages 12½ cents a gallon.

This makes a total of 39 cents a gallon. Of this amount 16½ cents is collected by the federal authorities and 22½ cents by the province.

The suggestion made to the governments concerned is that if these taxes were reduced by a total of 30 cents a gallon the price to the consumer for the ordinary native wine would be reduced from 40 cents a bottle to 35 cents without any sacrifice to either grower or manufacturer. Cabinet ministers claim that a reduction of 5 cents a bottle would not increase consumption nor help to any great extent either grower or manufacturer.

Alcoholic Content Tax

Another suggestion is that the government should impose very low taxes on wines of moderate alcoholic content and increase the rate on wines of high alcoholic content. Wines on this continent generally have higher alcoholic content than in Europe. It is argued that it would be a move both toward temperance and toward better times for the wine industry if the public favor should turn to wines of moderate alcoholic content. That same end would be furthered, it is claimed, if the government gave the right to advertise so that good wines may be made known to the public.

New Industries

Central Refiners, Ltd., Brandon, Man., has been established. Construction of the oil refinery with a capacity of 1,000 barrels will begin soon. (Brandon Sun.)

Hawley Products (Canada) Ltd., manufacturer of molded pulp products, will commence operations in Brantford, Ont., about the middle of December. (Brantford Expositor.)

Jones Tent & Awning Co. Ltd., Vancouver, will erect a $40,000 factory to house new machinery for the painting of awning material in stripes and designs of fancy color. According to Paul Aivazoff, president, this machinery is of a type never before used in Canada. (Vancouver Sun.)

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Municipal—							
St. Adele, P.Q., Parish of	Oct.	Locally	4%	20-ser.	$7,000	100	4%
Tillsonburg, Ont.	Nov.	Locally	4%	....	48,000	100	4%
Provincial—							
Nova Scotia	Nov.	Bank of Montreal and syndicate	2½%	1940	3,102,000	*100.25	2.45%
			3%	1947	4,140,000	*98.00	3.20%
Dominion—							
Canada (Treasury Bills)	Nov.	....	...	Feb. '36	20,000,000	99.68	1.171%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Canadian Utilities	Nov.	W. C. Pitfield & Co.	5%	1955	$2,450,000	95	5.40%
Union Gas Co. of Canada	Nov.	Dominion Securities Corp. and syndicate ..	3½ 4 & 4½%	1936-50	4,500,000	......	.....

*Offering price.

THE ECONOMIC UNITY OF NORTH AMERICA

A reciprocal trade agreement between Canada and United States has been consummated by Premier King and President Roosevelt.

It just had to come. The economic unity of North America is as natural and inevitable as the sunrise.

President Roosevelt and Premier King were clever in framing this trade treaty because the high technological development of our two countries makes it sure that they must either work together or destroy each other in an industrial and commercial way.

In United States and Canada we have 13.3 h.p. per person against say, Russia's .5 h.p. Russia has only 1/26 as much extraneous energy working for them as we have.

China and India with nearly half of the world's population have less actual and potential machine power than Russia.

With only 130 million, or less than 7% of the earth's people, we have in North America 50% of the earth's coal, 70% of its oil, 85% of its gas, and 40% of its ores. These great powers of nature, plus the engineer's new principle of extrusion, or heating and shaping metals like dough, make possible to deliver to America's millions the foods, goods and services of 1 billion h.p.

These facts prove why North America's economy must be different than Europe's or Asia's.

That this area, then, should be commercially divided is to do violence to the first principles of scientific production and distribution.

Moreover, Canadians have been buying two dollars' worth of goods in United States for every dollar spent by Americans in Canada. Such disparity could not continue.

The Americans have between three and four billions of dollars invested in Canada. The only possible way they could have protected that investment was by undoing the untold trade damage effected by the Fordney-McCumber and Hawley-Smoot tariff scales.

These outrageous tariffs have established such an artificial trade relationship between Canada and United States that many individual and incidental phases of the situation will require special ironing out.

Many small injustices will have to have special attention.

But the great good accomplished by this treaty is recognition of the principle that the economies of Canada and United States are one and indivisible.

They are inseparable because the North American continent is a functional organic unit. You cannot separate the parts of the body and you cannot separate the parts of the North American continent.

The full technological impact which will soon hit this continent makes it inevitable that the social destiny of North America lies along the directional pathway of industrial progress.

Canada and United States, the two great nations of the continent, have got to work their way out together.

Tariff barriers and all other mythical obstacles to the free development and free movement of goods and ideas and energies belong to yesterday.

The problem of machine displacement of men is forcing all political parties to think in terms of technology. The inevitable next step was a recognition of the economic unity of North America.

Editorial in Vancouver Sun, Nov. 12.

Catering neither to plute nor plebe nor politician, Vancouver's own home town paper prints events and trends as it sees them. That is why it is the bible of 70,000 Vancouver homes. That is why it is a profitable medium to advertise goods in the rich Vancouver market.

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Notice to Holders of Debentures of Township of Scarboro

Fiscal Agents acting for the Township of Scarboro are presently preparing a plan to adjust the finances of the Township, and it is essential that debenture holders be in a position to make effective representation with respect to any such plan. Unless such action is taken, a refunding plan unsatisfactory to debenture holders might be made operative. Holders of a substantial amount of debentures of the Township of Scarboro have requested the undersigned to act as a Protective Committee to represent debenture holders. In order to make effective our efforts on behalf of debenture holders, it is essential that all debentures be lodged with the Depositary, THE TRUSTS AND GUARANTEE COMPANY, LIMITED, at any of its offices. A copy of the Committee's circular and forms for depositing debentures may be obtained from any member of the Committee, the Secretary or the Depositary.

MAJOR J. H. CHRISTIE, M.C., R. A. Daly & Co. Ltd., Toronto.
J. T. BRYDEN, North American Life Assurance Company, Toronto.
JOHN L. COBURN, The Canada Permanent Trust Company, Toronto.
ROBERT LEWIS, Sons of Scotland Benevolent Association, Toronto.
PROF. J. C. ROBERTSON, 400 Brunswick Avenue, Toronto.
Secretary to the Committee: N. D. CRISP, 80 King Street West, 19th Floor, Toronto.

Holders of
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NORDIC STURGEON GOLD MINES LIMITED
18 Toronto St., Toronto, Canada.

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TORONTO, NOVEMBER 23, 1935

Propaganda at Work

THOSE who negotiated the Canadian-American trade agreement were no doubt proud of their efforts. But were they quite justified in filling the Monday morning press with rather one-sided propaganda about it? Should the story of the agreement not have been presented a little more dispassionately so that people could have been better aided in weighing the likely consequences?

There was issued to the press on Sunday afternoon a statement of several thousand words outlining at great length the "benefits" to Canada and with little reference to the costs. It was the sort of thing a politician might say in Parliament if he were supporting the agreement. It was not a clear and unbiased interpretation.

True the text of the agreement was simultaneously issued. But no Monday morning newspaperman saw this agreement until a few hours before his articles and editorials had to be in type. He had perforce to rely to a considerable extent upon the government's own interpretative statement of the treaty. And this interpretation was not an unbiased analysis; it was favorable propaganda from start to finish.

The Financial Post refers to this incident because it is but another evidence that governments the world over are more and more using propagandist methods to mold public opinion and hamper informed discussion.

Wanted — A Wheat Policy

LUCK and only luck provides Canada with one more opportunity to get rid of its unwieldy wheat surplus without disastrous loss. United States is temporarily in the ranks of the importers. There is no surplus in the Danube Basin, the Argentine, or in Australia. Until offering of new crops from the last two countries becomes a factor about the beginning of the new year, Canada is in the rôle of chief salesman.

Somewhere around 350 million bushels of hard milling wheat lies in Canada's elevators. Of this amount, at least 250 million is available for export. Probably from 50 million to 75 million will find an outlet in the United States. A portion of the lower grade may be sold to the Orient. The balance, from 100 million to 160 million bushels, must go to Great Britain and Continental Europe, where it is needed and wanted.

This wheat will not move of its own accord. The experiences of the pools and of John I. McFarland amply demonstrate that ordinary sales pressure is needed. The "take it at my price or leave it" policy is directly responsible for creating a surplus which hangs like the sword of Damocles over world wheat markets.

It was assumed that the decisive change in the Dominion government last month would be followed by an equally decisive change in government wheat policy. But the programme of drift has continued, and every day brings the new crop wheat from the southern hemisphere closer. Every day, too, brings the American fall wheat acreage nearer the picture and moisture conditions in the United States are the best in ten years.

British and European millers are waiting to buy but they will continue to hesitate until some concrete announcement of sales policy is forthcoming from Ottawa. With ample supplies in Canadian terminal elevators, only 10 to 14 days away from Liverpool, buyers across the Atlantic refuse to load up today when they do not know how cheap this wheat will be offered tomorrow. The average grain buyer is prepared to risk weather and war but he hesitates to speculate on the actions of government.

Mr. Dodds Speaks Out

NEWSPAPERS generally have expressed the opinion that the address of Jackson Dodds as retiring president of the Canadian Bankers Association was one of the most effective replies ever made to the critics of our banks. We agree and wish to add our word of congratulation to Mr. Dodds for his logical analysis of the policies of Canadian bankers. Not the least of the qualities of the address was its commendable readability. It was not spoken in the language of the technical economist but of the average business man.

Mr. Dodds presented the banks as merchants of credit, credit that is created by business activity and financed by depositors. Undoubtedly his purpose was to meet one very prevalent criticism of the banking system—a criticism that attacks the system rather than the individual banks—that it does not adequately provide for the social control of credit.

The criticism is along this line: Canadian banks, it is admitted, have been well managed and as depositaries of money are a credit to the nation. But each bank is so busily concerned with the problem of keeping its own house in order that the banking system as a whole has little time to consider the general social results of bank policies. It has even been argued that it might have been better for Canada if there had been another bank failure or so; that it would have been better if the banks had been freer with credit.

In brief, the argument is that what is good for a bank as a bank is not always good for the country as a whole. We have heard the criticism in Parliament, on the public platform and in the universities.

In the past the banks have done little to meet this line of criticism. In fact, we doubt if they have understood it. Mr. Dodds has presented the bankers' viewpoint on the subject of the volume of credit more thoroughly than any banker in Canada has previously done. But we doubt not that the criticism will continue; that the argument will again be made from time to time that until the people own their banks they will not have control of the supply of credit. Thus our bankers will be forced to return to the discussion from time to time, and to defend not only their record as commercial bankers but as trustees of the country's banking system.

In short, not only must the banks be defended but the banking system too needs friendly interpretation. Mr. Dodds has made a splendid start. But it is only a start. Fifteen years of almost unanswered anti-bank propaganda can not be answered in a single speech.

It is a very encouraging sign that Canadian bankers have now decided to give such thorough and candid accounts of their stewardship as Mr. Dodds gave last week. We have no doubt that there will be more useful interpretations of Canadian banking to follow and that they will reiterate many of Mr. Dodds's points and also discuss additional problems which he had not time to deal with.

Healing Windsor Defaults

REPORTS are widespread that proposals have been made to write down the face value of debenture debt of three of the four municipalities now merged into the greater city of Windsor.

It has been suggested that 25 per cent or more be written off bonds of Windsor, East Windsor and the town of Sandwich. For Walkerville, whose finances are the least strained of the four merged defaulters, no debt reduction has been hinted.

While representatives of debenture holders have been in close touch with the situation, they would be greatly heartened in their efforts to protect investors if it were known that the Ontario government would take a strong stand for the most favorable possible treatment of Windsor's creditors.

It has yet to be established that it is necessary to make a permanent reduction in face value of the bonds of Windsor's constituent municipalities. Bondholders, many of whom are themselves hard pressed, would be willing to make reasonable concessions. Deferment of principal payments and reduction of interest charges would probably be granted without much complaint. For Windsor to ask more is unreasonable. Reduction of the face value of debt would amount to a final quit claim. Bondholders would never be able to recover the loss, no matter how much prosperity may be restored in Windsor in the future.

A comment of the report of the Coughlin Royal Commission on the financial aspects of the Windsor amalgamation is pertinent:

> "The citizens owe their bondholders nothing less than the best efforts possible to hold their loss to a minimum."

The province of Ontario owes these holders of municipal bonds the same type of service.

If greater Windsor is to enjoy an expansive future, it will have to re-establish its credit. This cannot be accomplished by refinancing defaulted debt, in any manner that prejudices bondholders' claims permanently.

Hepburn of the Future

Hon. Mitchell Hepburn, premier of Ontario, must recently have experienced the sensations of a man reading his own obituary notice. His sudden decision to retire from the premiership took newspapers by surprise. And even those journals that have been bitterly attacking him found some good words to say about him. Seldom does this happen to a man until he dies.

There seems to be no doubt that it was actually Mr. Hepburn's health that forced his decision. Yet a physical break-down can often be the result as well as the cause of political embarrassments. Worry and weariness often go together and form a vicious spiral.

Mr. Hepburn's retirement will give him a chance to regain his health. It will also give him a chance to get rid of embarrassing political commitments.

In a few years, his health and his prestige both restored, he may again enter politics, a wiser and stronger man. If he does, he can be one of the most useful of our public men. He has a unique ability to see the essential core of a problem. If he were to utilize this faculty more, if he were to act more upon what his reason tells him than upon the impulse to do the mischievous and headline-creating thing, he would be a premier to rank among great premiers.

Much as The Financial Post has criticized Mr. Hepburn's actions in connection with the repudiation of provincial power contracts and in some other matters, we have never lost our confident belief that, if he would give himself a chance, if he would accept counsel from wise and honest men, if he would think of the long-term consequences of his every action, he could become a front rank figure in Canada in the next two decades.

It would be regrettable to have such possibilities dimmed either by a physical breakdown or by a continuance of Mr. Hepburn's recent political habits.

Government Investments and Credit

APPARENTLY the fact that provincial bonds held in various funds of the Alberta government have depreciated in value is causing some concern in the foothills province. It has led to suggestions that these funds are "short" of what they ought to be. In face value, the funds may be up to the required standard, put perhaps not in market value.

The Alberta situation illustrates the major danger in all government investment funds. They may not be liquid at satisfactory prices when needed.

There is a lesson in the Alberta situation for every municipal sinking fund. Holdings of debentures should mature at the same time as the bonds to be retired.

There is a lesson for any unemployment insurance fund that the Dominion government may set up. It should be considered, long before the day of need arises, how to liquidate investments in times of depression when financial markets may be in a slump.

There is a lesson for provincial governments. It shows that they cannot run savings banks by investing depositors' funds in provincial securities. In fact, it has been shown that provinces cannot run savings systems in safety at all.

Above all, however, the Alberta experience shows that the chief sufferers from damage to government credit are the governments and the citizens themselves.

Improving Prices Will Help

IN THE general rise in commodity prices throughout the world there is a favorable portent for Canadian trade. Many of our most pressing social and economic problems are the result of the drastic spiral of price deflation. And it was in the products that Canada depends upon most that the price decline was greatest.

With the movement of prices reversed, each month should bring Canada a further measure of relief in problems of public finance and a further stimulus to private and business incomes.

The League of Nations recently compiled figures showing the percentage of price improvement since September, 1931, which may be regarded as about the bottom point of the world depression. In several overseas countries, the figures were as follows, comparison being made also with the United States and the United Kingdom:

	Percentage of Improvement Since 1931
United States	13.1
United Kingdom	7.4
Argentine	9.9
Australia	6.3
New Zealand	5.3
Canada	2.7

Canada, it will be noted, has benefitted from improving prices less than other countries in a similar position. But wheat, copper, lead and zinc have been improving in price; newsprint has been increased slightly after a long series of cuts in price. A number of farm commodities will undoubtedly advance as a result of the U. S. trade agreement. Our index may turn up more rapidly in 1936.

As it turns up, the burden of debts will tend to become less.

Sayings of the Week

"Loud cheers make heroes. Pop bottles make martyrs."—*Babe Ruth.*

* * *

"Democracy is as yet an aspiration rather than a reality."—*Beni Prasad.*

* * *

"Education is a moulting of dogmas, a progress in the art of doubt."—*Will Durant.*

* * *

"It is doubtless more difficult to make souls goose-step than legs."—*Emil Ludwig.*

* * *

"The feeble-minded and the genius should not be equal before the law."—*Dr. Alexis Carrel.*

* * *

"The educated man is a greater nuisance than the uneducated one."—*George Bernard Shaw.*

* * *

"Armament firms were responsible for the failure of the Disarmament Conference."—*Noel Baker.*

* * *

"Perhaps Mark Twain's advice was pretty sound. When in doubt, tell the truth."—*Joseph Jastrow.*

* * *

"Man is a complex of parts no two of which reach their prime at the same age." — *George Bernard Shaw.*

* * *

"The art of high government consists in bringing knowledge and power into a working partnership."—*Glenn Frank.*

* * *

"It is necessary not only to have an ideal but to consider what are the best measures of achieving it."—*Sir Samuel Hoare.*

* * *

"Nothing on earth can seem more impervious to reason than the weary cynicism of immaturity."—*Rexford G. Tugwell.*

* * *

"America has a larger proportion of its population in jail than any of the nations of Western Europe."—*Homer S. Cummings.*

* * *

"It is literally true that the only great men in all history have been the men who have been the greatest servants."—*Burris Jenkins.*

* * *

"Bureaucracy feeds on itself and grows fat. The creation of a new bureau is invariably followed by plans for expansion."—*Jouett Shouse.*

* * *

"The world is now capable of supporting nearly three times the present population on a plane far removed from starvation." — *Beni Prasad.*

* * *

"With such terrible weapons no one is safe, either in caves, under water or in the bowels of the earth. The white people are undoubtedly brave but we consider it cowardly to fight and kill at a distance and out of sight. We prefer to wage battles in hand-to-hand fighting." — *Ndisano Kumalo, Matabele warrior.*

The World at Large

Mr. Baldwin's Victory

Healthier Opposition Indicates Moderate Government Policies

By JOHN A. STEVENSON

The outcome of the British general election held on Nov. 14 was reasonably in accordance with expectations. National Government of Stanley Baldwin emerges with another commanding majority. It had been prepared to shed a substantial amount of its overwhelming majority and its total vote dropped from roughly 14½ to 11⅓ million while the opposition vote rose from 6½ to roughly 10 million.

But luck in three-cornered contests and the general fortunes of the voting enabled the government to save more seats than it had hoped, and Labor made rather less than 90 gains instead of the 150, upon which its more optimistic leaders had counted.

440 Government Seats

The Government will probably have roughly 440 supporters against an opposition of 175. A result so satisfactory for the government has justified the wisdom of Mr. Baldwin in retaining the National character of his ministry. The National Liberal group fared relatively better than did the Conservatives as their numbers have fallen only from 36 to 32. The National Laborites were less successful as their numbers have declined from 14 to 6. For the Samuelite Liberals, the election was an almost unrelieved disaster, as out of their 151 candidates only a dozen were returned compared with a strength of 26 at the dissolution, and their leader, Sir Herbert Samuel, as well as his two whips were both defeated.

Labor Gains in London

Labor did notably well in London, Scotland and Durham. There it made heavy gains but it failed to make any headway in Birmingham and the rest of the Midland Industrial area. It did not realize the gains which it had hoped for in Lancashire and Yorkshire. The Conservatives held most of their rural seats and retained their grip upon the upper and middle class urban constituencies. Their programme of rearmament enabled them to keep industrial centres like Newcastle, Sunderland and Coventry, which had some time before fallen to Labor. However there were very few Conservative majorities which were not heavily reduced.

The government will obviously have to be reorganized as two ministers, Ramsay MacDonald and his son Malcolm were both defeated and unless Mr. Baldwin can find seats for them, they will have to be replaced. Moreover Lord Halifax the Secretary of State for War is tired of politics and wants to retire.

However the Baldwin government is now armed with a clear mandate for three purposes.

First, to go ahead with its policy of backing the League of Nations in the enforcement of sanctions against Italy.

Second, to modernize and bring up to adequate strength the armaments of Britain, and,

Thirdly, to continue its policy of cautious but progressive social reconstruction.

It will obviously have to take some drastic measures for the reorganization of the coal-mining industry. The miners have been threatening to strike and the mine-owners have shown themselves unable to achieve the consolidation of operations and selling agencies to which the government is pledged.

It can be expected to proceed with the building of new warships and the modernization of the military equipment. But ministers have vowed that they will not relax their efforts to secure as large a measure of general disarmament as possible. If they can accomplish this their armament programme may be modified.

From the Canadian point of view the chief interest in the result must be its implications for the agriculture programme of Walter Elliot. Mr. Elliot himself only escaped defeat by a very narrow margin in what has been normally a safe Conservative seat in Glasgow. There is evidence that in the industrial areas Labor candidates used very effectively the cry that the government's policy of protecting agriculture had raised the cost of living and depressed the real value of wages. Even in some rural seats hostility was shown to the Elliot programme.

Ottawa Pact Revision

It seems probable that the Baldwin government will be hesitant to give Mr. Elliot a free hand to extend the policy of protecting the domestic farmer by imposing tariffs or quota restrictions. There is fear of a still further increase in the cost of living. When Mackenzie King begins his projected negotiations for the revision of the Ottawa agreements, he will probably find British ministers ready to make an equitable deal, which would preserve free entry for Canadian farm produce to the British market in return for a freer Canadian market for British manufactured goods.

On the whole the result of the election is considered quite satisfactory. The Labor party was obviously not ready for office.

But a healthier balance has been restored in British politics.

In relation to its popular vote Labor is under-represented in Parliament but all its prominent figures in the last Parliament have been re-elected and they have now been rejoined by a group of experienced parliamentarians like Herbert Morison, J. R. Clynes, Hugh Dalton and Tom Johnston who lost their seats in 1931. So the parliamentary Labor party will now once more become an effective opposition, which it was not in the last Parliament, and both the Baldwin government and the country may thereby benefit.

As Others See Us

What Toronto Star Wants

Toronto Daily Star

The Financial Post thinks that more income surtaxes would ruin Ontario if applied by the province. We doubt it. But the ideal way would be for the provinces to agree that the Dominion should collect the whole tax with equal surtaxes in all provinces and rebates to each province of its proportionate share.

At Top of List

Bowmanville Statesman

Among the grist of free advice offered the new Liberal Government to solve Canada's problems we place The Financial Post's suggestions at the top of the list. And by the way, if more people would read regularly The Post's news and editorial columns they would be better informed on the public questions of the day.

Financing Elections

Winnipeg Free Press

The opinion that an undesirable method is used by the old political parties in raising election funds is also held by The Financial Post, which will be generally regarded as more realistic than visionary. Just before election day it remarked that hundreds of thousands of dollars had been poured into the coffers of both of the major parties, and had been spent lavishly on advertising, radio broadcasts, meetings, pamphlets, etc. The Financial Post proceeded:

The whole situation would be cleared up if the publication of all campaign contributions, over a certain moderate amount, were required; if, in addition, the Government provided some of the campaign funds—with due regard to the relative strength of the groups; and if the people contributed generally to the support of their respective parties.

An Economic Phantom

Victoria Colonist

What a commentary it is on latter-day human nature that it is so gullible! Social Credit is not founded on facts but on theories, and yet thousands have rallied to its support. It is based on the theory that money has no intrinsic value and can be created by banks and by the state. This is a denial of the fact that money, in the final analysis, is exchangeable goods. In this connection a writer in The Financial Post of Toronto points out that the bank or state notes (currency) may have no intrinsic value on paper, but if they are valid titles to goods (and they are if good notes) they have the intrinsic value of the goods, and it is mere quibble to say they have no intrinsic value.

The Financial Post goes on to show that the state or the banks cannot create goods, using the word "create" to mean to bring into being from nothing. In this sense no one can create. Neither the state nor the banks produce goods. Goods and money are in substance the same. Government and bank notes are "claims for goods." The contention of the Social Credit reformers is that they are claims for goods and services. In effect a man's purchasing power depends on the marketable goods he owns, and the state's purchasing power is no greater and no less than that of all its citizens. The state can make no disbursement except from the goods in the possession of its citizens. Social Credit, it is pointed out by The Financial Post, proposes to issue demand claims for goods in existence and also for goods not in existence, to the amount of the appraised value of the natural resources of the state.

Too Much Legislation

Kingston Whig-Standard

In reference to an Ottawa report that there is unlikely to be an early session of Parliament because "the new government would be hard pressed to get its legislative programme in shape for a January session," The Financial Post observes:

"It is an unfortunate condition in Canada that a government would feel disgraced if it had to meet parliament or a provincial legislature without having been able to think up some new laws to be passed. It would be a heartening change to have a government appear at a session and announce that in spite of the foolishness of some existing laws, an attempt would be made to get along for another year with no changes at all in legislation.

"That would give time to devote to the real problems of the country which are essentially problems of administration, instead of legislation."

This is a point well taken. We may not be so greatly addicted in this country to the passing of laws as are our neighbors to the south, but we have certainly strong leanings toward legislation. We tend to make legislative accomplishment the major form of evidence in judging governmental achievement, although we condemn the lengthy debates that prolong the sessions of parliament or legislatures — debates that centre largely on legislative measures. When it comes to an election, the appeal of those in power usually gives as much or greater prominence to the new laws or changes in laws they have placed on the statute books as to what they have achieved in an administrative way.

Perhaps this is because the acts of legislation are more spectacular—at least, can be more easily publicized—than the work of administration. But administration is by far the most important responsibility of government. It would be a pleasant and cheerful change, as The Post suggests, to have a session of little legislation so that more time could be devoted to the essential problems of administration.

Stop Me If You've Heard This One

"Gosh!" said he, "I'm glad this depression is moving out at last! It hit me hard!"

"Zat so?" said his friend.

"I'll say it did! I lost my money in 1929, I lost my house in 1930. I lost my wife in 1931 and my job in 1932, and the next year—"

"Yes! Go on!" said his friend eagerly.

"The next year I almost lost my car!"

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COLOURS
Blue, Buff, Canary, Golden Rod, Grey, Green, Pink, Salmon and White.

WEIGHTS
13 lbs., 16 lbs., 20 lbs. and 24 lbs. in White. 13 lbs., 16 lbs. and 20 lbs. in Colours.

Week in Business

Hundreds of Millions of Dollars

• • • •

Intermediate Tariff Not Publicized

• • • •

Auto and Radio Makers Differ

It will be weeks, perhaps months, before business in Canada gets acclimatized to terms of the U.S.-Canada trade pact. The concessions granted to the United States market, for example, affect at least 40 per cent of all imports from that country which means between 20 and 25 per cent of our total import trade.

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The way in which the pact was publicized left many Canadians in the dark as to the real significance of the changes. The reason was that Canadian importations from the United States were treated in two ways: First, there was a specific list of items named in the treaty which gained tariff reductions or on which present rates were assured during the life of the treaty. Second, United States was granted our intermediate tariff which meant that hundreds of items comprising some $150 millions of trade back in 1928-29, automatically received cuts of from 2½ to 5 per cent. These items included scores of textile items; automobiles and parts, gasoline, furniture and products of many other key industries. No complete list of these latter items was published and details only seeped out by degrees.

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On the Canadian side of the pact, trade items comprising about 60 per cent of Canadian exports to the United States were mentioned. The total represented trade of about $150 millions in 1934-35 and about $300 millions in 1928-29. (These figures are on the basis of United States trade returns).

However, the bulk of this trade is represented by items for which the treaty allowed no change in schedule but merely confirmed existing rates for the three-year term of the pact. Outstanding of course in this latter category is newsprint, pulpwood and woodpulp items comprising $90 millions in 1934-35 and $165 millions on the higher price valuations of 1928-29.

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A major feature of the pact was that its provisions broke customary Canadian practice and do not become effective until six weeks hence, namely, Jan. 1, 1936. This was in part due (it is said at Ottawa) to representations of Canadian radio manufacturers who asked for the "stay" to avoid upsetting some $6 millions of Christmas business placed on a higher duty basis. Automobile manufacturers on the other hand would have liked immediate action for they feel the postponed changes have largely wiped out the effect of their early 1936 showings.

Underlying the changes is the hope that within a few months when similar arrangements have been reached with Great Britain and Japan, Canada will obtain tariff stability once again And meanwhile The Post business index showed Canada to have moved into new high ground toward recovery in October.

Business Indicators

Changes of the Week

(Compared with the same period last year)

Favorable:	*Unfavorable:*
Financial Post index.	Rubber imports.
Carloadings.	Pig iron production.
Total exports and imports.	
Petroleum and cotton imports.	
Exports of wheat, planks and boards, and wheat flour.	
Building permits.	
Steel ingot production.	
Railway earnings.	

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA —Latest—		—Cumulative Total— Jan. 1 to date	
	1935	1934	1935	1934
Transportation—				
Car loadings (Nov. 9)	▲52,218	51,228	2,047,163	2,019,290
C.P.R. gross earn. (Nov. 14)	$ ▲2,650,000	$ 2,536,000	$ 111,740,000	$ 108,887,000
C.N.R. gross earn. (Nov. 14)	$ ▲3,541,243	$ 3,102,804	$ 150,146,546	$ 144,063,926
Business Conditions—				
Weekly index D.B.S. (Nov. 9)	▲97.5	92.3	......	......
	MONTHLY DATA			
	1935	1934	1935	1934
Business Conditions—				
Financial Post index (Oct.)	▲106.8	99.0	......	......
Transportation—				
C.P.R. net earnings (Sept.)	$ 3,290,218	$ 3,033,580	$ 11,386,758	$ 13,670,107
C.N.R. net revenue (Sept.)	$ 2,292,672	$ 2,010,243	$ 6,165,665	$ 7,142,505
Iron and Steel (Oct.)—				
Pig iron production (tons)	▲45,521	46,573	464,585	325,663
Steel ingots and castings prod. (tons)	▲95,016	57,975	742,720	643,137
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Sept.)	2,560	3,059	69,483	56,707
Factory output (Sept.)	3,819	4,211	109,141	87,027
Trucks and Buses:				
Domestic sales* (Sept.)	1,427	951	14,952	10,056
Factory output (Sept.)	1,504	1,368	28,209	21,654
Exports (Sept.)	4,792	3,343	49,484	37,419
Construction—				
Building permits (Oct.)	$ ▲4,020,308	$ 2,596,024	$ 40,530,687	$ 22,313,170
Contracts awarded (Oct.)	$ 14,925,100	$ 11,152,700	$ 147,649,300	$ 109,297,800
Newsprint (tons)—				
Production (Oct.)	266,515	235,021	2,245,703	2,117,228
Exports (Sept.)	208,911	190,794	1,812,786	1,728,014
Sugar (lb.)—				
Melting & shipments§	73,677,075	87,892,557	629,971,194	601,084,210
Manufactured§	74,056,391	86,934,082	624,681,003	587,062,267
Flour (bbls.)—				
Production (Sept.)	1,535,189	1,383,205	9,823,026	10,343,837
Wheat flour exports (Oct.)	▲501,442	485,549	3,911,861	4,208,597
Trade (October)				
Imports	$ ▲52,751,020	$ 47,228,804	$ 455,787,336	$ 424,478,096
Exports	$ ▲84,952,580	$ 67,747,809	$ 576,759,667	$ 528,912,493
Wheat exports (bush.) (Oct.)	▲28,919,421	21,807,784	121,553,933	131,806,393
Employment, D.B.S. Index (Oct. 1)—				
All industries	106.1	100.0	......	......
Manufacturing	103.3	94.4	......	......
Electric Power Output (Sept.)—				
Total monthly (000's omitted)	1,919,214	1,627,289	16,942,001	15,290,852
Aver. daily	▲63,974,000	54,243,000	....	....
Other Industrial Indices—				
Lumbering:				
Plank & board exports, mill (Oct.)	▲138,118	132,840	1,104,074	1,156,797
Boot & shoe prod., pr. (Sept.)	1,982,451	1,704,677	16,528,838	14,223,517
Crude petrol. imp. gal. (Oct.)	▲133,728,567	110,637,902	963,751,490	903,500,224
Cotton imports, lb. (Oct.)	▲10,776,453	9,179,436	84,625,473	106,396,436
Raw rubber imp., lb. (Oct.)	▲1,819,433	6,816,973	44,611,645	53,806,573
Coal imports, tons (Sept.)	1,427,277	1,593,859	9,534,331	9,803,038
Finance—				
Bank debits (Sept.)†	$ 2,425,895	$ 2,580,850	$ 22,684,735	$ 23,324,418
Bond sales (Oct.)	$ 65,415,900	$ 271,227,944	$ 723,345,929	$ 600,137,220
Life insurance sales (Sept.)	$ 26,696,000	$ 26,123,000	$ 267,262,000	$ 274,818,000
Automobile Financing—				
Used cars (Sept.)	$ 1,374,332	$ 1,065,155	$ 14,668,795	$ 11,195,569
New cars (Sept.)	$ 1,437,378	$ 1,310,041	$ 18,794,312	$ 14,341,375

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000s omitted. §For 4 weeks to Oct. 5.

New Products

Sika—will be handled in Canada and Newfoundland by Gunite & Waterproofing Ltd., Montreal, Toronto and Halifax, sole agent of the British firm Sika, Ltd. Sika is an integral waterproofing compound used in concrete and cement mortars. The waterproofing qualities are obtained by chemical reaction with certain ingredients in the cement. Five different grades are obtainable. (Canadian Engineer).

"Wicksteed" Sawing Machine—announced by Canada Machinery Corp. Ltd., Galt, Ont., for which it has recently accepted Canadian agency. This machine represents the latest practice in metal and in addition to hydraulic feed for the saw blade, hydraulic two-directional clamps may be used for holding the work. (Canadian Machinery.)

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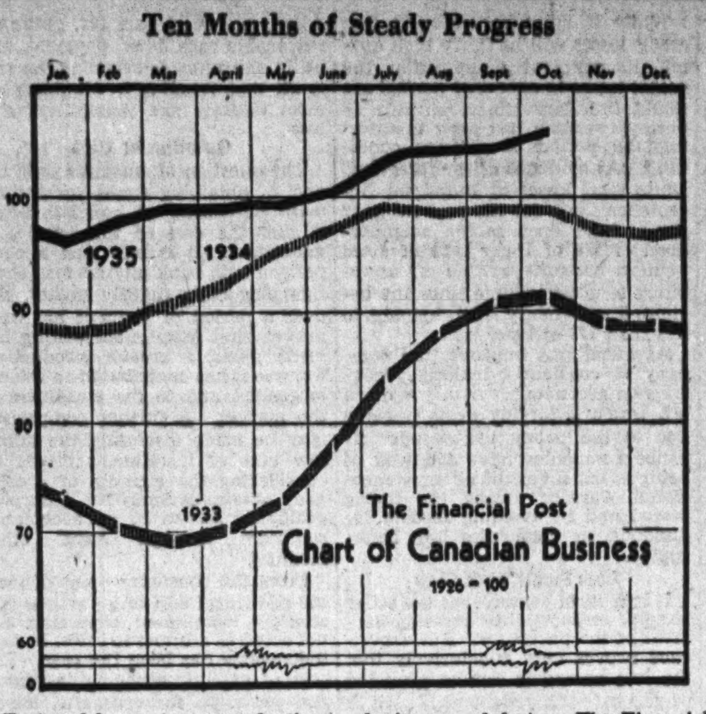

Featured by post-war production peaks in several factors, The Financial Post business index advanced from 105.0 to 106.8 during October. This is the tenth successive month in which the index has risen. The financial background was also brighter, with appreciable gains being recorded in prices of commodities, common stocks and high-grade bonds.

Background of Business

Gross Margin Figures

Canada to Get Facts for First Time—Radio Tubes—Codes

Within two weeks time, retailers will have the results of the first official figures ever collected in this country concerning the gross margins of doing business.

This year for the first time the Dominion Bureau of Statistics in its annual compilation of retail sales in Canada, asked reporting merchants to give figures on the net cost of gross margin of profit. The new figures cover the year 1934 and will be available by provinces, starting with Ontario, in about two weeks time.

The figures will show profit margins for all leading types of stores such as chains, independents, general, variety and so forth. These figures will be a regular feature of annual retail returns in future.

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Standard Mark-up

Incidentally a current issue of Canadian Grocer, Toronto, reiterates the advice that it is not always good business to aim at a standard margin of profit on every article of merchandise. Different types of merchandise require a different margin according to the speed with which they normally turn over. "Retailers don't need any standardized mark-up but an adequate mark-up on each individual line to cover the cost of handling that line and show them some net profit."

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Cheap Radio Tubes

Price slashing of radio tubes in the Toronto area is described as a "straight trade battle" according to a radio manufacturer interviewed by Hardware and Metal, Toronto. Aikenhead's Hardware, Toronto, led the parade late last month followed shortly by Eaton's and Simpson's who announced a one-third cut covering four makes of tubes. The following day, 34 retail outlets advertised (for one day only) similar merchandise described as "standard brand-new nationally advertised tubes." The following day Eaton's advertised the sale would continue indefinitely. There is still some margin for dealers, it is claimed, since the dealer discount off list prices on tubes would range up to 45 per cent.

Basic reason behind the move, The Financial Post understands, is that existing types of tubes are gradually being eased off the market by new all-metal and similar types. However manufacturers claim to be upset by the way in which retailers "broke away" from established "maintained price" habits.

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Standard Packages

"A movement is under way at Ottawa to standardize packages and containers," says Canadian Grocer, "and is moving to a head. Information is being collected from all sources including manufacturers and retailers as to their reactions and there is a probability that containers in the future may be confined to net weights of two oz., four oz., eight oz., one pound and multiples of a pound.

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Machine Makers Busy

Leaders in the machinery field interviewed recently by Canadian Machinery, Toronto, show much optimism. Thus, John Bertram & Sons, Dundas, report business has picked up considerably due to railway purchases with payroll up approximately 60 per cent over a year ago.

From the Union Twist Drill Co., of Rock Island, Que., comes word that business is much better than at any time since 1930. Not only are there more orders but they have been more satisfactory to handle since they have covered reasonable production quantities of tools. "Our payroll will be quite a bit larger this year and we have worked more hours and added a number of men to our force."

Gains were also reported by the P. E. Ryder Machinery Co., Montreal, and Diamond State Fibre Company, Toronto.

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Hardwood in U. K.

Canadian hardwood continues in excellent demand in the United Kingdom but prices have fallen sharply under keen competition, says K. G. Fensom, eastern Canada timber commissioner, in Canada Lumberman. Too much lumber was imported in the U. K. in 1934 and a buyer's market rapidly developed, says Mr. Fensom. This applies particularly to competitive rather than specialty woods. Thus, spruce and birch have suffered more than white pine.

Bright spots include indications that Canadian yellow birch is being accepted in the U. K. as a decorative as well as a utilitarian wood. One room in the King's Jubilee house used this wood with striking effect while 25,000 ft. of yellow birch veneer have been specified for the new "Queen Mary." An important market should develop if once this wood becomes recognized for high class building and expensive furniture.

A deterrent has been the continued lack of uniformity and adherence to specifications of the Canadian product, though much improvement has been noted in Canadian practice in this respect, says Mr. Fensom.

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Western Census

The federal government will probably get a bill in 1936 of $700,000 or $800,000 for the regular five-year census of the Prairie Provinces. At least the census takers are planning to do the work and looking to the finance department for the necessary funds.

In 1926, it will be remembered, a special inter-decennial census was taken in the three western provinces which provided special information on trends and happenings there. The special feature of this year's census is the inclusion of a special questionnaire regarding the status and history of the unemployed.

One suggestion put forward is that an even better way of using this money would be to spend it on a proper census of unemployment covering all parts of Canada. This would mean omitting the special Prairie Province census except in respect of unemployment figures.

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Winter Highways

Commercial and passenger traffic is making increasing demands on provincial highway departments to keep Canadian roads open during the winter. Canadian Engineer recently made a survey of each province and found that last year approximately 12,000 miles of roadway were kept clear in the winter. The figure is increasing steadily.

Two important aids which are gaining increasing favor are snow fencing and calcium chloride the latter an effective prevention against skidding, particularly in community and suburban areas.

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Alberta Code Scrapped?

That Alberta's famous trade and industry act passed in the spring of 1934 is apparently headed for the junk pile is the contention of Hardware and Metal, Toronto. It is recalled that when the act was proclaimed last autumn, William Anderson was named deputy minister.

The new government has dismissed Mr. Anderson and merged his department with many other government bodies under the provincial secretary. The act therefore "is not likely to emerge as a factor in the business activities of Alberta."

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Labor Code Limits

A recent Quebec ruling has established that collective labor agreements under the provisions of the Arcand law are binding only upon employers following the same trade or industry as those employers who signed the agreement.

The point at issue concerned a building trades agreement and it was ruled that this cannot apply to a realty company not engaged in construction.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$6.10	$6.10	$5.25
Hogs	8.60	8.60	8.50
Copper, lb.	.09¼	.09¼	.09
Cotton, lb.	.1230	.1180	.1255
Rubber, lb.	.1309	.1225	.1283
Sugar, raw, lb.	.0340	.0350	.0292
Silk, lb.	2.15	2.23	1.27½
Wheat (Man.) bus.	.85½	.84½	.80¼
Coffee, lb.	.06¾	.06¾	.09⅝
Weekly Indices			
N. Y. Annalist	127.9	127.4	116.5
Fishers'	85.0	85.0	79.0
N. Y. Journal of Comm.	82.2	81.4	76.3
Crumps (Brit.)	68.5	68.3	64.0
U. S. Labor	79.8	80.3	76.0
Canada (D.B.S.)	72.3	72.4	71.3
Monthly Indices	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Oct.)	80.4	79.6	79.1
W'sale (Oct.)	73.1	72.3	71.3
U. S. Labor (Sept.)	80.6	80.5	77.6
Gt. Brit. (Sept.)	69.9	67.6	65.7

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15. New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers: select bacons, Toronto.

Goderich Manufacturing Co. will build a factory in Sault Ste. Marie for manufacturing hardwood flooring, railway shims and other products from Algoma hardwood, taken from limits at Batchawana.—(Sault Ste. Marie Star).

BUSINESS GAINS MORE PRONOUNCED DURING OCTOBER

Newsprint and Copper Exports Soar to New Peak

Continuing the regular advance since the beginning of the year, Canadian business in October, as measured by the preliminary Financial Post index, rose to 106.8 per cent of the 1926 level. This represents a gain from 105.0 in September and 99.0 in the corresponding month of 1934.

Advance in the past ten months has been steady, continuing the generally upward trend in progress since the early months of 1933. Since March of that year, activity has increased about 53 per cent. Many maladjustments and serious problems still remain, but the wholesale resumption of business operations must eventually have its effect.

In the vanguard of recovery are such factors as newsprint production and copper exports, which in October were at the highest level in history. With two exceptions, shipments of gold from Canadian mines and production of leather footwear were the heaviest in the post-war period. Exports of zinc, steel ingot production and movement of railway freight also showed marked improvement, climbing to the highest total in the past four years. Trade, too, was an important factor in the advance; merchandise imports were greater than in any October since 1930 and exports greater than in any month since 1929.

Most Factors Up

Not all factors are making such a good showing, but the majority showed moderate gains over September, and are participating to a lesser extent in the general advance.

If the long-term trend of The Financial Post business index is calculated, that is, if a straight line is drawn through the course of the index so that areas above it are equal to those below, it will be found that in October the index crossed the normal line in an upward direction. According to this measure of business activity, computed on a comparable basis for the last sixteen years, productive operations in Canada have again reached the normal.

Major Canadian Economic Factors

	October, 1935	September, 1935	October, 1934	Inc. or Dec. Oct. 1935-34
Financial Post business index	106.8	105.0	99.0	+7.8
Wholesale prices	73.1	72.3	71.4	+2.5
Common stock prices	96.1	93.6	85.2	+12.9
Shares traded, Montreal ... No.	62.6	48.6	45.4	+38.0
Reciprocals of Dominion bond yields	126.7	125.3	126.0	+0.5
*Bank deposits	107.8	105.9	98.0	+10.0
Mineral production:				
Copper exports ... cwt.	480,893	339,244	287,800	+67.0
Nickel exports ... cwt.	135,677	142,652	93,075	+45.9
Zinc exports ... cwt.	304,169	194,770	290,801	+4.5
Gold shipments ... fine oz.	294,871	282,292	260,122	+13.3
Silver shipments ... fine oz.	1,483,333	1,185,540	809,449	+83.4
Manufacturing production:				
*Flour production ... bbls.	1,535,189	1,161,389	1,383,205	+11.0
*Rolled oats production ... lb.	13,911,445	7,977,920	13,521,725	+3.0
Cattle slaughterings ... No.	141,959	118,320	147,599	—3.9
Hog slaughterings ... No.	262,599	176,786	230,054	+14.0
Raw cotton imports ... lb.	10,770,453	5,856,786	9,179,436	+17.5
Cotton yarn imports ... lb.	417,079	384,567	344,492	+21.0
*Leather boots and shoes prod. ... pr.	1,604,476	1,826,595	1,460,996	+9.7
Newsprint production ... tons	266,515	223,892	235,021	+13.4
Steel ingot production ... tons	95,016	90,952	57,975	+64.0
Pig iron production ... tons	45,521	54,260	46,573	—2.2
Automobile production ... No.	8,313	5,323	3,780	+120.0
Petroleum imports ... gal.	133,728,567	127,017,748	110,637,902	+20.9
Crude rubber imports ... lb.	1,819,433	3,593,662	6,816,973	—73.3
Exports of planks and boards ... ft.	138,118,000	112,413,000	122,849,000	+12.5
Construction: Contracts awarded	14,925,100	14,743,100	11,152,700	+33.8
Building permits	4,020,308	3,322,026	2,721,919	+47.6
Railways: Carloadings ... No.	251,077	220,584	242,868	+3.5
External trade: Imports	52,751,020	44,689,463	47,228,804	+11.5
Exports	85,749,280	66,152,142	68,312,883	+25.5

*Preceding month.

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EIGHTY-SEVENTH ANNUAL REPORT OF THE CONSUMERS' GAS COMPANY OF TORONTO

Year Ended 30th September, 1935

Your Directors present herewith the Eighty-seventh Annual Report of the operations of the Company, together with the Financial Statements for the year ended September 30th, 1935.

General business conditions did not improve to any appreciable extent during the year and there was no diminution in the seriousness of the problems with which your Directors have been confronted in carrying on the affairs of the Company during the past few years.

The gross earnings for the year have been more than sufficient to pay all costs of operation including taxes, uncollectible accounts interest charges, the cost of actual repairs and renewals, and the regular dividend. To carry out completely the Company's statutory obligations relating to the Plant and Buildings Renewal Fund it has been necessary to draw upon the Reserve Fund to the extent of $504,215.42. The amount transferred from earnings to the Plant and Buildings Renewal Fund was $1,052,015.63, and of this amount there has been spent on repairs and renewals during the year $512,272.11, leaving the sum of $539,743.52 to be added to the Fund.

The efforts of your Directors towards further reducing operating costs have been largely offset by increases in items of expense beyond their control. In April last the freight rate on coal was advanced by 15 cents per ton, while the provisions of the Dominion Budget presented on March 22nd, reduced by a substantial amount the drawback of Customs duty paid on gas coal to which the Company had been entitled under an amendment to the Customs Tariff adopted one year previously.

The additional burdens of taxation which have been imposed upon the Company from time to time since the year 1930, have now assumed a degree of permanence from which it is not possible at the present time to predict any relief. The total provision made in the accounts of the year for direct taxes, which include Dominion Income Tax, Provincial Corporations Tax, Workmen's Compensation Tax, and Municipal Property Tax, was $490,513.40. In addition to the amount of direct taxes, the items of Customs Duties, Excise Tax, Sales Tax, Fees and Licenses, have amounted to $373,325.99.

The unavoidable losses from uncollectible accounts for last year, while still greatly in excess of normal times, were considerably reduced from the figures of the preceding two years.

The sales of gas appliances show a very satisfactory increase in volume, being 37 per cent. greater than the sales of last year. The activities of the Commercial Department in promoting and stimulating the use of gas among all classes of consumers were continued in a vigorous manner throughout the year. Interest in the cooking demonstrations of the Home Service Department has been well maintained and the large attendance at the lectures is ample proof that the homemakers of Toronto appreciate receiving instruction in better methods for the utilization of gas in the home.

There have been no important additions made to the manufacturing plant or distribution system during the year. All of the properties of the Company have been maintained in good repair and up to a high standard of operating efficiency.

The total amount paid in wages and salaries for the year was $1,803,005.79. The number of employees at present on the Company's payroll is 1,287, more than 90 per cent. of whom have been in the Company's employ for more than 5 years. Almost 70 per cent. of all employees have service records in excess of 10 years, while 262 men have served the Company continuously for 20 years or longer.

Particular attention is given by the Directors to maintaining proper working conditions for the employees of the Company, including the installation of appropriate safety devices for the prevention of accidents, the adoption of fair wage schedules and reasonable hours of work, as well as the provision of opportunities for advancement for the workers. Pensions have been granted to those employees who, after long years of employment, have become incapacitated for further service. There are at present 25 former employees receiving gratuities from the Company. The favourable employment conditions created by the Company have resulted in the long service records of its employees and have contributed materially toward the harmonious relations which have existed between the employees and the Company for many years. The employees are thereby encouraged to give loyal and efficient service to the Company, to render prompt and courteous service to its consumers, and to co-operate with the management in effecting all reasonable economies in the costs of operation.

In order to insure an uninterrupted supply of gas coal and to take advantage of the economies afforded by lake transportation, the Directors considered it prudent to purchase in advance a sufficient tonnage of coal to meet the Company's requirements during the winter months, the coal to be held in storage on the docks at Canadian Ports for shipment to the Company's works when needed. Favourable arrangements have been made with the Company's bankers for such funds as were necessary to finance these purchases as well as for the amount of the capital expenditures undertaken during the year.

The share capital outstanding at the close of the year consisted of 140,552 shares of Common Stock of a par value of $100.00 each, a total value of $14,055,200.00. The ownership of the capital is vested in 3,489 shareholders, of whom 1,718, or 52.08 per cent. of the total, are women, 962 or 27.57 per cent. are men, and 710 or 20.35 per cent. are financial institutions, corporations and estates. An overwhelming proportion (94.23 per cent.) of the capital stock is held in Canada.

All of which is respectfully submitted.

ARTHUR HEWITT,
President.

STATEMENT OF INCOME AND PROFIT AND LOSS

For Year Ended September 30th, 1935

GROSS EARNINGS:		
Gas Sales	$5,234,374.94	
Residuals Produced	1,688,708.10	
Merchandise Sold	228,970.62	
Miscellaneous Revenue	7,660.65	
		$7,159,714.31
Production, Distribution and Administration Expenses and Taxes		5,287,565.97
NET EARNINGS		$1,872,148.34
INTEREST EARNINGS		81,171.87
		$1,953,320.21
Dividends		$1,405,520.00
		$547,800.21
Transferred from Reserve Fund		504,215.42
		$1,052,015.63
Transferred to Plant and Buildings Renewal Fund		$1,052,015.63

BALANCE SHEET OF THE CONSUMERS' GAS COMPANY OF TORONTO

September 30th, 1935

LIABILITIES

Capital Stock		$14,055,200.00
Reserve Fund:		
Amount at Credit October 1, 1934	$6,929,938.79	
Transferred to Profit and Loss September 30, 1935	504,215.42	
		6,425,723.37
Plant and Buildings Renewal Fund:		
Amount at Credit October 1, 1934	$3,831,892.45	
Less Repairs and Renewals	512,272.11	
	$3,319,620.34	
Appropriation from Earnings, Authorized by Statute	1,052,015.63	
		4,371,635.97
Reserved for Dividend No. 342		351,380.00
Provision for Dominion Government and other Taxation		68,195.06
Accounts Payable		364,429.51
Bank Advance		506,339.76
		$26,142,903.67

ASSETS

Real Estate, Plant and Equipment	$21,900,806.80
Investment in Dominion of Canada, Province of Ontario and City of Toronto Debentures	1,991,561.87
Materials and Supplies	1,340,258.63
Cash in Bank and Offices	11,073.00
Accounts Receivable, after making provision for Doubtful Accounts	758,309.77
Interest Accrued, not due	37,074.13
Prepaid Taxes and Insurance	103,819.47
	$26,142,903.67

Approved on behalf of the Board of Directors.

(Signed) ARTHUR HEWITT
President.

(Signed) EDWARD J. TUCKER,
Secretary.

We have audited the accounts and vouchers of The Consumers' Gas Company of Toronto, for the year ended September 30th, 1935. Our requirements as Auditors have been complied with and in our opinion the above Balance Sheet sets forth a correct statement of the Company's affairs as shown by its books.

(Signed) W. E. SAMPSON, I.P.A.
EDMOND GUNN, F.C.A. } Auditors.

TORONTO, 6th November, 1935.

The following gentlemen were elected Directors for the ensuing year: A. R. Auld, Esq.; T. Bradshaw, Esq.; A. H. Campbell, Esq.; L. Goldman, Esq.; Arthur Hewitt, Esq.; C. S. Macdonald, Esq.; Col. J. F. Michie; F. G. Osler, Esq.; T. H. Wood, Esq.

At a meeting of the Board held subsequently, Mr. Arthur Hewitt and Mr. A. H. Campbell were re-elected President and Vice-President, respectively.

Installment Buying

Contrary to Widely Expressed Opinion, Sales Financing Comes Through Depression With Flag Flying — I. A. C.'s Record Illustrates Soundness

Still Wanting Credit

That installment buying could not survive, was the rather general consensus of opinion among the prophets during the early stages of the depression.

After comparing notes these wiseacres put their heads together and predicted the speedy crack-up of the sales financing or acceptance companies.

Provided the foundation was right their reasoning appeared faultless. First the installments would cease and next the companies to which those installments were due.

But it is now over five years since that dark day in the fall of 1929 when stock prices tumbled and installment buying and the financing companies are still with us. Indeed, according to John Langdon, in the accompanying article, during the depression growth has continued and casualties have been rare.

BY JOHN LANGDON

MONTREAL.—Installment buying, in the main, has been unjustly criticized.

The business man knows the value of credit and partakes of it at every opportunity in order to further his own interests. Yet many business men, economists and bankers decry the advantages of credit as applied to the consumer. There is lacking a general appreciation of the important part which consumer credit has played in the marketing of consumer and even durable goods.

Without it the depression might have gone much further; unemployment been more intense; and recovery much slower. It has been the means of maintaining a flow of goods from the manufacturer to the consumer—the volume being dependent upon the extent of the buying power of the public—which would not have been possible otherwise.

Three Forms of Credit

The present credit structure of business provides for three forms of credit. First is the investment credit which is related more directly to the manner in which corporations acquire loans. These usually take the form of bonds, debentures or capital stock, handled by investment dealers and the proceeds from which are used for the acquisition of fixed assets.

The second form is known as productive or commercial credit. This covers temporary assistance to the manufacturer or distributor enabling the purchase of raw materials, finished articles, etc., This is the function of the chartered banks.

The third form is consumer credit, the facilities of which are supplied through the acceptance companies, providing purchasing power for the individual in the way of monthly payments spread over a pre-determined period.

Not to be Confused

Too often the public confuse concerns of this type with small so-called finance companies which are really loan companies. The latter operate under special legislation and make character loans and loans against collateral security, such as automobiles, furniture, jewellery, etc. The business methods of some of these companies have, at one time or another, given cause for criticism.

Sales Finance Business

The sales finance, or acceptance, companies handle only paper emanating from the installment sales of various articles having a standard collateral value. Dealers in different lines of merchandise sell certain articles on a deferred payment basis and the companies purchase the conditional sales contracts resulting therefrom. Actually the companies have no dealings whatever with the purchaser until after sales have been made and the contracts purchased from the dealers.

The common complaint against deferred payment credit is that it mortgages the buyers' future earning power. There is no gainsaying that fact, but it is worthwhile noting that although unemployment figures have increased, the percentage of repossessions in recent years has remained normal, proving that while so many people take advantage of this form of purchasing, the average person is contracting within his ability to pay.

Percentage is Small

Another point bearing on consumer credit is that the percentage of installment sales to the total of sales is far less than is generally believed. A survey of merchandise sold on the installment plan in the United States at the peak of the boom disclosed the fact that less than 3 per cent of total income was pledged in installment purchases.

While it is extremely difficult, if not almost impossible, to obtain an accurate figure on Canadian installment sales, it has been estimated that the percentage of such sales to total income in the Dominion is not as great as in the United States, due to the less intensive development of this form of merchandising.

Not New to Canada

Consumer credit or deferred payment is not new to Canada. It has been practiced for many years. Grocery stores, for example, have long been accustomed to giving "credit," and more than one operator went into bankruptcy because it was not always handled properly. Agricultural implement dealers have been selling their products by deferred payments for many decades. Pianos have been sold on the installment plan for generations. But until recent years little attempt had been made to place consumer credit on an organized basis. Previously it had been hit and miss—mostly miss. Payments were spread over too long a period; the risk was bad; the initial payment too low; collections costly; repossessions expensive.

Auto Industry Gives Lead

Development of consumer credit on a scientific basis and the organization to finance consumer paper has been the natural outcome of the automobile industry's intensive merchandising methods of recent years and more particularly the past decade. In the past the manufacturer undertook to finance his product from the plant to the consumer. He shipped his goods to the dealer on consignment. Often he waited months and even years for payment. His capital was tied up in accounts receivable. He had to borrow from the banks in order to keep his plant in operation. Large sums were reserved for bad debts. The dealer in turn, when handling the more expensive articles, had to extend credit to the consumer in order to secure volume. His losses on credit extended often wiped out his profits.

Some of the larger and better-financed manufacturers were only too well aware of the weakness in the financing of the distribution of their products. They formed acceptance or finance companies to handle sales. Dealers' notes were discounted and payments put on a regular basis. In turn the dealer sold his consumer notes to the finance company and was thus able to meet his own bills.

All Round Benefit

By strengthening the financial chain of merchandising in this way, the manufacturer, dealer and consumer all benefitted. Sales increased. Turnover was more rapid and profits larger. The cost of manufacturing was lowered as the producer received more prompt payment. The dealer in turn was able to pass along the saving as his selling costs per unit declined with the increase in sales volume and the consumer was able to buy articles on credit which ordinarily he was unable to pay for in cash.

For various reasons manufacturers found it advisable to have their sales finance transactions handled by an independent company. Consequently many of the pioneer organizations in this field of finance have been divorced from their original manufacturer connection and are now controlled by other interests.

Develop in Canada

Until of late most of the installment paper in this country was financed by acceptance companies controlled directly or indirectly by American organizations. This was primarily due to the fact that automobile, electrical apparatus and other companies prominent in the Canadian field were affiliated with companies across the line and their installment sales handled through one agency.

This is not the case today. The majority of the consumer finance business in the Dominion is handled by companies in Canada. There are now somewhat more than 30 sales finance companies in this country.

Types of Articles Financed

There was a time when installment sales handled by the finance companies were practically confined to automobiles. The list is much wider today. Some of the recognized products which are financed by installment sales follow: Motor vehicles of all types, refrigerators, radios, electric ranges, household laundry equipment, electric washers, electric ironers, oil burners and stokers.

In the past few years consumer credit has been extended on such equipment as: Laundry machinery, printing machinery, bookbinding machinery, electric and general factory equipment, air compressors, concrete mixers, lathes, steam shovels, store fixtures, etc.

Help Industry Modernize

The latter mentioned items cover numerous types of income producing equipment. This represents a steadily increasing field of activity, as the facilities of the sales finance companies meet the needs of the manufacturer wishing to replace obsolete, or install more modern equipment and pay for same out of earnings or savings effected, without depleting his working capital or enlarging his capital structure.

Auto Financing Leads

Up to the present time automobile financing has been by far the most important item handled by the acceptance companies. In the case of the Industrial Acceptance Corp., one of the largest of the sales finance companies in Canada, more than half of its business is with automobile paper. The manner in which this company's business is made up, is set forth in the following tabulation covering returns for 1934:

	%
Automobile	57.0
Refrigeration	10.5
Radios	12.5
Other appliances	2.5
Miscellaneous	3.5
Industrial equipment	12.0
Heating equipment	2.0
	100.0

Basis of Financing

One of the most important developments of the finance companies is the establishment of a basis on which to arrange for financing, i.e., the amount of a minimum down payment which should be paid initially on the article and the length of time which should be given to the purchaser to repay the amount borrowed to finance his purchase.

The manufacturer naturally limits the amount of credit that he will extend to the merchant. He knows just how far he can go from his own records and the reports on credit standing supplied by various agencies.

When it comes to the consumer some merchants have overextended credit, though, in the main, care is taken to see that the consumer is in a position to pay for the purchase, otherwise the finance company will not buy his contracts.

Establish Minimum Terms

The Industrial Acceptance Corp., whose experiences will be quoted extensively hereafter, has worked out the following regulations, which its experience shows to be the minimum requirements in respect to down payments and the length of time for repayment.

	Minimum Down Payment %	Maxim. Pay-out months
Automobile		
New cars	33⅓	18
Used cars	40	12
Sundry		
Refrigeration	10	24-30
Radios	10-15	12-15
Oil burners	10-15	24
Household equipment, including electric washers, ironers & ranges	10	12-18
Industrial equipment	15-25	18-30

Terms Well Maintained

As evidence that these terms are well maintained, the following averages show the company's actual experience in 1934:

	Average Down Payment %	Average Pay-out months
Automobile		
New cars	41.8	14.7
Used cars	42.5	11.0
Sundry		
Refrigeration	26.0	20.6
Radios	28.4	13.6
Oil burners	20.5	15.3
Household equipment, including electric washers, ironers & ranges	21.6	15.5
Industrial equipment.	35.5	14.5

Cash Payment Requirements

Records of Industrial Acceptance Corp. show that in respect to down payments, the amount of cash to be obtained before delivery should be equivalent to or more than the immediate depreciation of the article, plus out-of-pocket overhead and expense relative to delivery and repossession if the latter is necessary. Repossession is regarded as an economic waste and creates prejudice and ill-will. The only safeguard against excessive repossessions is a substantial down payment.

Should Establish Limit

Time also has proven that the number of months credit extended on various articles should be kept within a limit, so that the monthly installments will always exceed the current depreciation. The total length of credit should be less than the life or obsolescence of the article. For example, while mechanically most refrigerators have a life of several years, there is nevertheless a certain obsolescence and depreciation reducing their market or collateral value month by month.

Long Terms Dangerous

It has been found that excessively long terms lead to dissatisfaction. The article has lost its original appeal and the purchaser becomes tired of the long drawn out payment of small amounts and if any service troubles do develop, no matter if only minor in nature, they are magnified many times over, because the purchaser is still paying the purchase price.

Payments Are Met

From the records of Industrial Acceptance Corp. it is possible to obtain the Canadian experience with installment sales, especially since the depression started in. During good times collections are easy and repossesions or losses few in number and value. Pepression causes income to shrink and the difficulty in maintaining payments has led many to believe that losses on installment sales would greatly increase. This view is not backed up by facts.

Between 1931 and 1934 the volume of business handled by Industrial Acceptance Corp. has ranged from $14.8 millions to less than $7.6 millions. During this period, company repossessions averaged less than $75,000 yearly. The percentage of past dues ranged as high as 3.23 per cent.

Record Speaks for Plan

A study of the table following covering the principal figures on the company's financing in the past four and a half depression years, shows than the financing of consumer credit has been attended with far less risk than is ordinarily encountered in other lines of business:

COMPARATIVE OPERATING STATISTICS FOR UNDERNOTED YEARS

	June 30, 1935	1934	1933	1932	1931
Volume of Business					
	$	$	$	$	$
Retail	4,592,000	7,458,000	5,230,000	7,986,000	10,060,000
Wholesale	4,070,000	4,845,000	2,366,000	4,526,000	4,761,000
Total	8,662,000	12,303,000	7,596,000	12,512,000	14,821,000
Outstanding at End of Year					
Retail	6,240,000	5,075,000	3,708,000	5,020,000	5,839,000
Wholesale	963,000	398,000	213,000	461,000	548,000
Total	7,203,000	5,473,000	3,921,000	5,481,000	6,387,000
Company Repossessions During Year					
	25,500	27,083	65,667	59,229	71,074
Bank Loans					
	4,955,000	3,241,000	1,808,000	3,335,000	3,882,000
Percentage of Past Dues					
	1.70%	1.03%	2.45%	3.23%	2.06%

While it is to be expected that credit losses will be fairly high during the years of a depression, the actual losses in excess of normal are found to relate almost entirely to business written just prior to entering the period of adverse conditions. As evidence of the foregoing, while total losses of Industrial Acceptance Corp. for the past ten-year period have been in the neighborhood of 4/5 of 1 per cent of gross volume, amounts written off as relating to gross volume since the beginning of January, 1931, amount to less than 1/3 of 1 per cent.

As conditions improve, the company is constantly making recoveries on accounts previously written off, which is largely made possible due to the policy the sounder finance companies have followed of being as lenient as the circumstances would warrant during the trying period and in avoiding forcing individuals or companies into bankruptcy.

Loss Small With Care

It is true, of course, that the seller accepts responsibility for non-payment of the purchaser. But experience proves very conclusively that the loss hazard is remote provided proper care and judgment is used in the selection of risks and establishing terms. The loss risk is almost negligible in comparison to the possibility offered by increasing sales. With the title of the article or equipment remaining in the hands of the seller until fully paid for, getting a reasonable cash down payment, and using discretion in selecting the risk is all that remains to eliminate almost entirely the possibility of a loss.

Question of Cost

The question often arises as to the cost of obtaining funds for installment purchases. A common belief is that the cost of this service is exorbitant. It is true that a comparison with bank interest may show financing costs sharply higher. But over a period of years it has been proven that installment selling has made possible greater production, because it has contributed to the enlargement and to the steadiness of the market. A further comparison may be made disclosing the actual low cost of installment credit by considering the expense of a company obtaining funds for a purpose ordinarily served by an acceptance company through some other medium.

From the consumer point of view the additional cost of an article created by installment payments, has not acted as a brake to sales; in fact, the reverse has been the case. The cost of capital, servicing insurance and provision for estimated losses, and overhead are known factors. The consumer buying an article or equipment on the installment plan knows that he is paying these charges and is not deterred thereby in buying. Competition has kept charges down to a point where only moderate profits are being made by the sales finance company.

Experience Has Been Good

The experience of the Canadian finance companies with installment sales, as illustrated by Industrial Acceptance Corp., has been uniformly successful. While many economists predicted dire ruin for the installment business during a period of depression it is an established fact that this type of business withstood the trying period of the past few years with practically no failures, either in this country or the United States.

The change in view is set forth clearly by Colonel Leonard P. Ayres, of the Cleveland Trust Co., and noted American economist, who recently made the following statement on the acceptance business:

"Neither prosperity nor depression, neither dull markets nor stock panic appears to have any appreciable effect on installment selling. Apparently this form of sale and purchase has a quality of stability to a much greater degree than commonly believed a few years ago."

Foreign Trade

Weekly foreign trade news summarized by Commercial Reports, Washington, follows:

Germany—Industrial activity is well maintained, although there has been a certain amount of seasonal unemployment.

Poland — Improved activity is shown by the rise in the industrial production index; the foreign trade balance, however, is less favorable that last year.

Lithuania—Crops are abundant and the lumber industry is active, but agrarian dissatisfaction has caused government intervention to adjust prices.

Latvia—Foreign trade through August shows considerable gains over last year, export gains being featured by such commodities as plywood, paper, textiles, and match splints.

Austria — Gradual widespread improvement has occurred especially in industrial production.

Greece—Further recovery has occurred except for a slight setback toward the end of September.

Irish Free State—Factory production continues to expand and exports have improved over last year.

Egypt—The foreign trade balance was adverse in August but remains favorable for the eight months period, though reduced as compared with last year.

The Union of South Africa—Summer buying has furnished a stimulus to business. Farming conditions are good along the coast, but drought persists in inland regions.

Costa Rica — Depletion of stocks and holiday requirements have increased importing activity.

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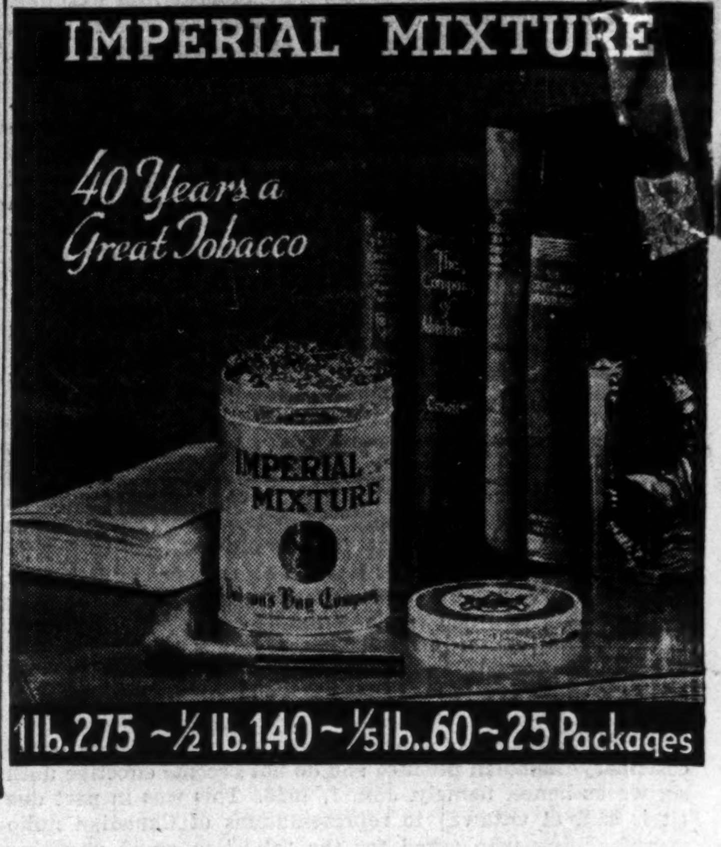
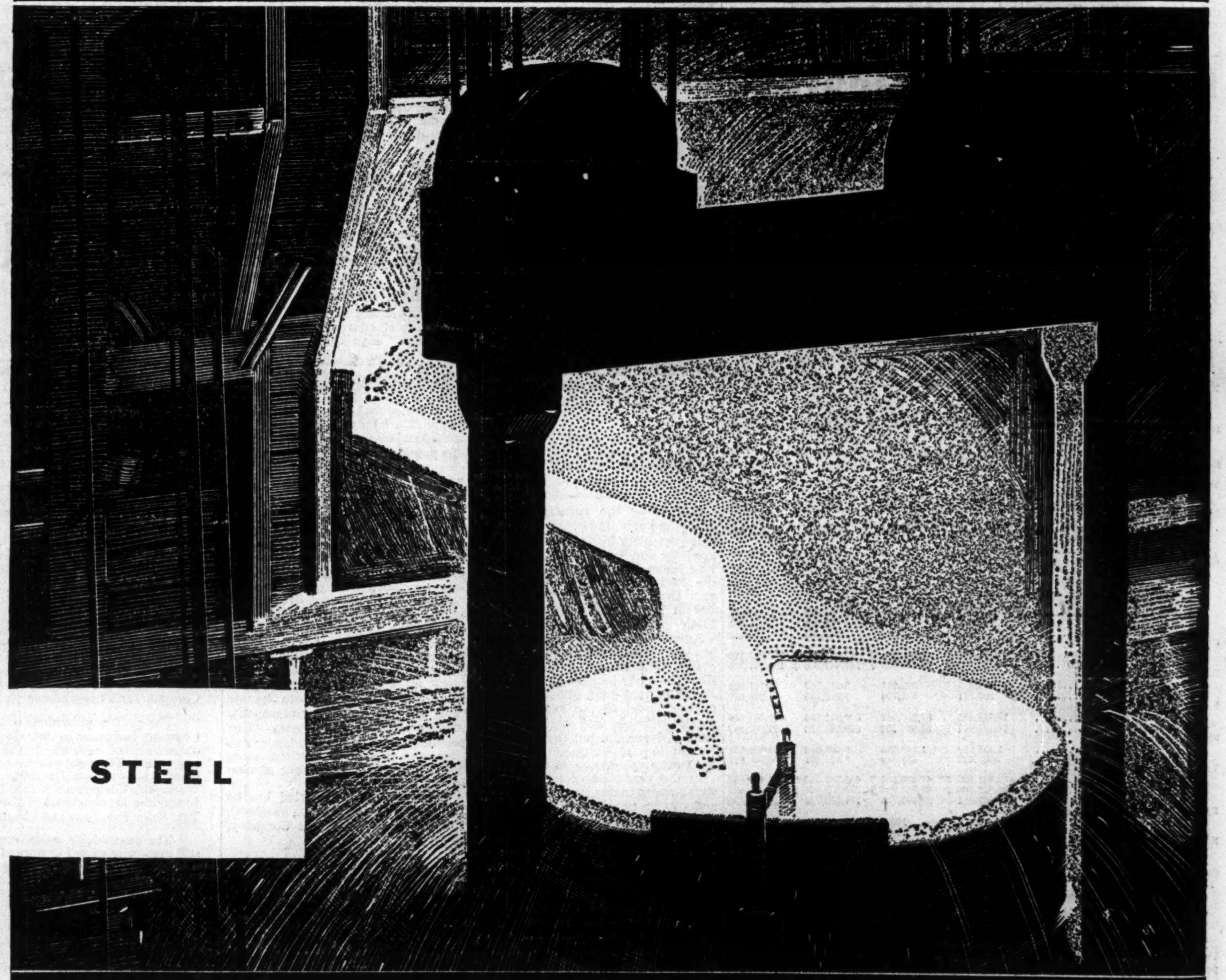


CANADIAN NICKEL IN WORLD INDUSTRY



COMMERCE IS BUILT ON STEEL . . .
. . AND STEEL NEEDS NICKEL .

A HUNDRED TONS of greenish white metal pours like water from the steel mill furnace into the enormous ladle. Flames lick above it. The claws of a giant crane grasp the ladle and hoist it aloft. A spout opens. The molten metal pours into the moulds while a spray of golden rain effervesces from its surface. As the ingots solidify they are rushed to the rolling mill. They are ingots of Nickel Steel — steel that will shortly be fabricated into the various parts of automobiles, locomotives, bridges, aeroplanes—into wrenches, circular saws, tractor gears, mine drills.

Since 1885, when man first discovered that steel is stronger and tougher when it contains a percentage of Nickel, the demand for Nickel in steel production has steadily increased. And when an ample supply of Nickel was assured from the Canadian mines at Sudbury, this demand assumed still greater proportions. Today Nickel steels constitute the greatest single market for Canadian Nickel.

But this vast new market for Canadian Nickel in steel the world over has not been won without effort. The International Nickel Company's sales and engineering departments and research laboratories have worked hand in hand with industry in developing new Nickel alloys to meet difficult types of service. They have aimed to familiarize all branches of industry with the proven properties of the various Nickel steels which contain from a mere trace to over 78 percent. of Nickel and possess such desirable characteristics as strength, toughness, corrosion resistance and uniform electrical resistivity.

And so the market for Canadian Nickel in world industry continues to grow. Its growth stimulates our whole industrial life. It is an important factor in maintaining a favorable balance of trade with other countries.

THE INTERNATIONAL
NICKEL
COMPANY OF CANADA LIMITED

"NICKEL—KEY TO WORLD PROGRESS", an interesting booklet dealing with the uses of Nickel in daily life may be had without charge by writing to the Company at 25 King St. W., Toronto.

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Bank of Canada

I am thinking of purchasing some shares of the Bank of Canada. Am I wrong in presuming that this stock has some chance of appreciation? What effect will nationalization have?

Bank of Canada shares sell close to $50 each because of fears that the Liberal government will nationalize the bank by purchasing the shares at that price. If some other scheme of nationalization were adopted, and the present shares left outstanding, the high yield available on the stock, in comparison with government bonds, might well lead to some appreciation in value. It depends largely on what the government does.

It is our understanding that prior to the election the Liberal party intended, if elected, to expropriate the bank's shares at $50 each. This unofficial policy may be altered. The government could, for instance, control the bank by issuing sufficient stock to itself; or by altering voting power of the present stock; or by appointing a majority of the directors and cancelling the governor's power of veto.

The dividend of $2.25 a share on Bank of Canada stock is regarded as extremely safe. Hence, were it not for fear of redemption, the shares might well be expected to sell on a basis of a 3 or 3½ per cent yield like government securities, which would mean over $60 a share. The buyer of the shares at present is in line to receive the full half-year's dividend of $1.12½ a share next January 2.

Can. Public Service

I hold some preferred shares of Canadian Public Service Corp. and am wondering what the prospects are for this stock. I understand that consolidation of some of the subsidiaries is proposed. Will this be beneficial?

There appear to have been some changes to the benefit of investors in Canadian Public Service Corp. Preferred dividends, of course, have been entirely discontinued, in order to improve working capital. The company has been short of working capital for some time. The sooner this situation is corrected the better for all concerned.

The company has valuable subsidiaries, and should certainly be able to earn and pay some dividends on preferred shares, once weaknesses in the company's structure are rectified. Certainly, consolidation, under the watchful eye of investor interests, could do much to put the company in a satisfactory position.

B. A. Oil

I have some free funds for investment and would appreciate your opinion of British American Oil Co. What are the prospects for improvement in earnings of this company?

British American Oil has maintained earnings and expanded production during the depression. It has maintained its earnings at about $1 a share for some years, and has continued to pay dividends at the rate of 80 cents a share. Very little is known about its objectives and the extent of its United States business, but apparently it is becoming increasingly important. It is probably in its U.S. venture that the chances of improvement in the investment would lie at some time in the future. Prospect for the company's Canadian business is one of stability, improving with general business conditions.

Dominion Motors

Has the stock of Dominion Motors any chance? Are shareholders liable to additional assessment?

The latest quotation of 10 cents a share for Dominion Motors stock shows just about how much chance shareholders have of getting any return out of the company. The company is being liquidated, but most, if not all, of the assets will be required to pay off the bank loan which had been reduced to $541,018 this year. Accumulated deficits have eaten up nearly all of the capital represented by stock, so that the nominal book equity at March 31, 1935, was only 61 cents a share. Dominion Motors stock is fully paid, and non-assessable.

Gatineau Power

I have read with a great deal of interest the announcement of the Hydro-Electric Power Commission of Ontario with regard to diversion of water into the Great Lakes system and the proposed development of additional power at Niagara. According to the press reports the Commission intends to ask Ottawa's assistance in this undertaking. I am wondering whether this will not have a bearish effect on Gatineau Power Co. bonds.

The Ogogi power project is an old one. It needs agreement between Canada and the United States before power based on the extra water turned into the Great Lakes could be diverted at Niagara. The claim is made that an extra 120,000 h.p. could be taken from the Niagara River if the United States government would agree to Canada using any extra water turned into the Great Lakes.

The position of Gatineau Power Co. depends largely upon the contract arrangement which the Ontario government will be willing to make. What this will be has not yet been made evident. It is possible that a new contract will be made with Gatineau earlier than with the other Quebec power companies if the company succeeds in its intention to deal separately with the government.

Massey-Harris

As a subscriber to your paper will you oblige me with a report on the future prospects of Massey-Harris five per cent cumulative preferred stock?

Earnings of Massey-Harris Co. will have to increase at least $3 millions annually before the five per cent cumulative preferred stock can be considered to have near prospects for resumption of dividends. More than all else, the company depends on agricultural prosperity. If the large Canadian wheat surplus is brought down to reasonable dimensions and the world once more pays a good price for Canadian wheat, the company's income should show recovery.

Fanny Farmer

I am considering the purchase of some shares of Fanny Farmer Candy Shops, but before doing so would appreciate your opinion of this stock. Kindly advise me as to the net earnings per share and the company's prospects.

Fanny Farmer sales and profits have been going ahead very rapidly this year. The company will probably show net profits of more than $1.25 a share, the highest on record, in the year ending Dec. 31 next. So far, the company has been highly successful in expanding its candy store chain in the United States. Only this month, the company entered the Michigan territory. In view of the expansion programme, and the company's conservatism, the annual dividend rate of 50 cents a share may not be increased, although a bonus could be paid at the end of the year. The rise in price of the shares discounts the improvement to date. Still, the company's expansive possibilities have not yet been exhausted.

Mercury Mills

Will you please inform me why the bonds of Mercury Mills are at present selling so low?

The reason for the present low price of the bonds of Mercury Mills, Ltd., is its current earning position. In 1934 the company only earned 37 per cent of its bond interest before depreciation. It has earned nothing at all after depreciation since 1929, except about nine per cent in 1933. Intense competition and lower purchasing power during the depression are responsible for this. It is not believed that the current year has seen much improvement in the position of the company.

Dominion Bridge

Will you be kind enough to let me have a brief review of the current position of Dominion Bridge Co.?

Prospects for Dominion Bridge are somewhat better. The steel and construction business has become encouraging of late, due to the extensive building programme carried out by the Dominion government and private individuals. While it is not anticipated that Dominion Bridge will earn its dividend this year, the strong financial position of the company should enable it to continue making disbursements on its capital stock until such time as earnings recover.

Bell Telephone

I hold a few shares of stock in Bell Telephone Co. of Canada. Is this a suitable type of investment and will the dividend be continued on the present basis?

Bell Telephone stock is well regarded as an investment medium. While the revenues of this company have been affected by the depression, net income is sufficient to cover the current dividend of $6. When business picks up it is to be expected that the company will endeavor to restore the dividend to the former $8 basis.

Maple Leaf Milling

Can you give me any opinion as to the outlook for preference shares of Maple Leaf Milling Co.?

The results of Maple Leaf Milling Co. for its latest financial year show the immediate outlook for the stockholders is far from rosy. It is still problematical whether the company will be able to recover its former solvency under the present five-year plan of relief.

Even if an increasing export sale of flour should allow the company to regain its former substantial earnings, it still has a large problem on its hands with respect to working capital deficiency. After bond interest and other charges are met, earnings will have to be applied to rectification of this situation before there will be anything available for the preferred shares.

Low prices for the class A preferred stock indicate pretty well that the market expectations are not very favorable. The bondholders and bank creditors are in the driver's seat, and there is no likelihood of early returns for the shareholders.

Power Corp.

I would like to have a report on Power Corp. of Canada. Are there any signs of an early payment of the dividend on the common stock?

Power Corp. reported a moderate improvement in its earning power during the 1935 fiscal year. At the same time, however, the value of the company's investments showed a further decline. This company is heavily interested in Canadian utilities, particularly those associated with the company, such as Canada Northern Power, Southern Canada Power, Winnipeg Electric, East Kootenay Power, Northern British Columbia Power and B.C. Power. It has other investments, but the greater percentage of the company's funds are placed in the securities of these associated enterprises. The income of the company has been sufficient all along to pay interest charges and dividends on the preferred stock. There has been little available on the common stock in the last two or three years, and it is not expected that the management will consider a dividend until there has been further improvement in the position of the company.

Prairie Cities Oil

I hold 100 class A shares of Prairie Cities Oil which I purchased in 1929 at $25 a share. Can you give some idea of the company's present position and its prospects?

Prairie Cities Oil Co. had a working capital deficit at the end of 1934. Its cash was very low, current assets consisting principally of accounts receivable and inventories. In every year since organized the company has shown a net loss after depreciation, interest and write-offs. The company has a real problem to get back to the old standard of solvency and to achieve good earnings.

Jenny Lind Candy

I note that the assets of the Jenny Lind Candy Shops have been sold to a new company. Will you please let me have the particulars of what has happened?

Jenny Lind Candy Shops went into bankruptcy and has been liquidated. We understand there was a small payment to creditors. Creditors apparently have an interest in the new company of similar name. Shareholders of the old company were wiped out in the bankruptcy, and the shares of the former Jenny Lind Candy Shops are of no value.

Hamilton Bridge Co.

Some years ago I purchased some preference stock of Hamilton Bridge Co. As no dividends have been paid since 1932 I am wondering if you could give me some information on the company's current position. Are there any prospects of dividends being resumed in the near future?

Hamilton Bridge Co. has been suffering operating losses in recent years. So its cash resources have been depleted. The company is dependent upon revival of major construction projects to restore its once substantial earning power. There is no prospect of an early payment on the preferred stock.

Dufferin Paving

I understand that Dufferin Paving & Crushed Stone Co. recently underwent a reorganization. How were the first preference shares affected? Are earnings improving?

Dufferin Paving & Crushed Stone Co. has been reorganized, and the preference shares are exchangeable for new five per cent income debentures. For each $100 principal amount of first preference shares you are entitled to receive $110 in income debentures, the 10 per cent increase representing compensation for 21 per cent arrears of dividends. Interest on these debentures becomes payable in 1936, and we understand it is expected to be met. The company has had better contracts this year, but the outlook for major improvement depends upon resumption of large scale construction in Canada.

Rackets

"Buyers' Week"

IT HAS long been suspected that special days or weeks, set aside for purchases of certain types of merchandise, just like tag days, have been much overdone. That many of these were merely absurd was the chief criticism. Now, however, it seems that in the case of certain buying or selling weeks, just as with the tag days in Montreal, more serious abuses have crept in.

Recently Ontario merchants were circularized from the headquarters in Toronto to set aside the week of November 11 as one of province-wide sales designed to aid business generally. The circular stated wide publicity and exceptional prices were to be the inducement to buyers for the week and the mass movement of tons of merchandise was expected to relieve frozen assets and circulate a lot of money.

Co-operation was solicited with "the provincial authorities" and it was intimated that donations would be acceptable. Investigation by Hardware and Metal, however, revealed the fact that the provincial authorities in this case had no official knowledge of the movement and the conclusion was reached that the whole thing was a promotional scheme. At any rate, the elaborate plans for "Buyers' Week" largely failed to materialize.

Investment Analyses

Winnipeg Electric Pref.

Gloomy Outlook If Reorganization Fails—Prospects Lie In Recovery

Can you give me any opinion as to the advisability of holding Winnipeg Electric Preferred?

In trying to assess the prospects of Winnipeg Electric preferred stock two possibilities have to be taken into account:

First, preferred or common shareholders of Winnipeg Electric Co. may turn down the plan of reorganization which entails a merger of the parent company and all its subsidiaries. The probable end of that would be bankruptcy for Winnipeg Electric and in the end for its subsidiaries as well. It is doubtful if in that case preferred stock of Winnipeg Electric Co. would have any value.

Second, the two classes of stock, preferred and common, may accept the plan of reorganization as all the bondholders of Winnipeg Electric and its constituent companies have done.

Stock Moves Up

Most informed observers would be inclined to sell the preferred stock at present prices if they thought the first possibility would come to pass. Apparently, however, the markets expect the reorganization plan to pass. The preferred stock has run up this year from a low of 4 to a high of 10½ and is still around that point. That increase in valuation has occurred as one set of bondholders after another accepted the reorganization plan.

If the plan is accepted, what earnings are likely to be available on the new preferred stock? The present 7 per cent cumulative stock of $100 par value is to be changed share for share into a non-cumulative stock of $100 par value, paying 4 per cent for 7 years, if earned, and thereafter 5 per cent. The preferred shareholder also receives one-half share of common class B of the new company, but that stock is a long-range speculation and for the moment may be eliminated from this calculation.

The only light thrown on the problem is the consolidated statement of the company showing how the plan would have worked out in 1934. After all interest and depreciation charges the surplus for 1934 would have been $273,323 if the plan had been in effect. At 4 per cent the dividend requirements for $5,000,000 of preferred stock would be $200,000.

One Serious Loss

Is there any reason to suppose that earnings will be less in 1935, 1936, 1937 and succeeding years? One very serious loss of revenue faces the company in those years.

The city of Winnipeg has decided not to renew its contract to take power from Manitoba Power Co. That contract provided $472,500 in 1934 and, therefore, is included in the consolidated statement just quoted. That contract will give $420,000 in 1935; $262,506 in 1936 and $105,000 in 1937, after which it ceases to operate.

The answer to your problem is, therefore, the answer to the question, "Can the company sell that power thrown back on its hands to other consumers in the meantime?"

Future Position

The company is selling more to the mines. It is not unreasonable to suppose that, as industry and business recover, increasing sales may be made. There is also the possibility that eventually some dicker may be made by which some of this power may be taken by the city. In view of the fact that the president of Winnipeg Electric Co. has already made such suggestions which have been turned down, it is not safe for the time to take that into your calculation.

Some other possibilities, which are often ventilated in Winnipeg and Manitoba politics are as follows:

Expropriation?

(1) That the city may buy out the whole enterprise;

(2) That the province may make an offer for the enterprise with the idea of merging it with its own Manitoba Hydro-Electric business.

At the moment neither of these eventualities seems to be practical politics. You will see that it is anybody's guess whether or not to sell the preferred stock at today's price. The consensus rather leans to holding.

80th
ANNIVERSARY
1855
1935

FOR 80 YEARS
"CANADA PERMANENT" has had and fully merited the confidence of many thousands of investors, no one of whom has at any time in that long period experienced the slightest delay in the receipt of funds to which he was entitled.

FOR 80 YEARS
"CANADA PERMANENT" has not only effectually safeguarded but has been of material assistance in increasing the savings of prudent and thrifty citizens.

FOR 80 YEARS
"CANADA PERMANENT" has been a growing asset to Canada, and the

SAFE DEPOSITORY FOR SAVINGS

CANADA PERMANENT
MORTGAGE CORPORATION
Head Office: 320 Bay St., Toronto
Combined Assets Exceed $100,000,000

THE
ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
Assets over $14,000,000
3% PAID ON DEPOSITS 3½% ON DEBENTURES
Archibald McPherson, *President.* T. H. Main, *Manager.*

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Styled with Custom Care.. the new Canadian-made Stetsons are unquestionably *right*. They possess the authoritative styling that can only be achieved by thorough craftsmanship. The new fall styles are now available in all the latest colours. Examine them today. Regular weight Stetsons are $6.50 (unlined $6.00), $8.00, $10.00 and up. The "Bantam" and "Playboy" (air-light Stetsons) are $5.

JOHN B. STETSON COMPANY (CANADA) LIMITED
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STETSON

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CANADIAN SECURITIES

Dominion and Provincial
Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing

DOMINION SECURITIES
CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

DISTILLERS CORPORATION-SEAGRAMS LIMITED

(INCORPORATED UNDER THE COMPANIES ACT, DOMINION OF CANADA)

And All Subsidiary Companies

Consolidated Balance Sheet, July 31, 1935

EXPRESSED IN CANADIAN CURRENCY

ASSETS

Land and Buildings, Plant, Machinery and Equipment at cost with the exception of certain properties, which are carried at depreciated reproductive appraisal values of $888,192.51 and $109,549.69 as determined by the Canadian Appraisal Company at November, 1926, and February, 1929, respectively, plus subsequent additions at cost......	$ 9,251,393.90	
Less: Reserves for Depreciation and Amortization................	2,675,162.87	$ 6,576,231.03
Trade Marks, Bottling and Blending Rights and Goodwill stated at the excess of the declared value of the 1,500,000 shares of Distillers Corporation-Seagrams Limited issued in March, 1928, in exchange for the entire issued capital of Joseph E. Seagram & Sons Limited and Distillers Corporation Limited over the net tangible assets of those companies as shown by their books at the date of such exchange		10,380,320.14
Investment in other companies, at cost		301,968.75
Current and Working Assets:		
Inventories of whiskies and spirits as shown by Government records, warehouse reports and physical inventories, valued at cost including duty, taxes and freight where such has been paid and inventories of raw materials and supplies at cost of purchase	$16,206,082.19	
Accounts Receivable after providing for doubtful accounts	4,235,182.82	
Dominion of Canada 3½% Bonds due 1949 at cost (quoted value $103,000.00) ...	96,500.00	
Cash in banks and on hand	1,306,611.62	
Contracts for future purchases of grain at approximate market values	102,210.75	
Unexpired Insurance and other items chargeable to future operations	401,769.23	22,348,356.61
		$39,606,876.53

LIABILITIES

Capital Stock:		
Authorized...2,000,000 shares without Nominal or Par Value.........		
Issued ....1,742,645 shares without Nominal or Par Value.........		$19,202,426.79
Advances under Bank Credit Agreement which matures July 31, 1940 (unsecured) ...		2,000,000.00
Current Liabilities:		
Accounts Payable and Accrued Liabilities..........................	$1,749,830.62	
Liability under Contracts for future purchases of grain—see contra ...	87,200.50	
Provision for Federal, Provincial, State and Municipal Taxes in Canada and the United States	2,412,679.47	4,249,710.59
Earned Surplus, as per statement attached		14,154,739.15
		$39,606,876.53

Approved on Behalf of the Board:
S. BRONFMAN, Director.
W. B. CLELAND, Director.

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of Distillers Corporation-Seagrams Limited and all its Subsidiary Companies for the year ending July 31, 1935, and have obtained all the information and explanations which we have required; and we report that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to show a true and correct view of the state of the combined affairs of the Distillers Corporation-Seagrams Limited and its Subsidiaries at July 31, 1935, according to the best of our information and the explanations given to us and as shown by the books of the companies.

PRICE, WATERHOUSE & CO.,
Auditors.

Montreal, September 14, 1935.

CONSOLIDATED STATEMENT OF EARNED SURPLUS AND PROFIT AND LOSS FOR THE YEAR ENDING JULY 31, 1935

EXPRESSED IN CANADIAN CURRENCY

Earned Surplus, Balance July 31, 1934			$ 6,565,061.50
Deduct:			
Adjustments affecting prior years including additional Income Tax for the year ending July 31, 1934			201,902.43
			$ 6,363,159.07
Profits for the year ending July 31, 1935, before providing for the undernoted items:		$10,895,441.40	
Interest on Special Loans	$ 100,656.13		
Directors' Fees	1,500.00		
Provision for Income and Profits Taxes in Canada and the United States	2,001,705.19	2,103,861.32	
Balance of Profits for the year			8,791,580.08
			$15,154,739.15
Appropriation for Special Amortization of Canadian Distillery properties			1,000,000.00
Balance, per Balance Sheet			$14,154,739.15

Note: Depreciation provided during the year amounted to $391,583.94, of which $249,810.98 has been charged to Cost of Production and $141,772.96 directly against profits.

COMPARISON OF NET CURRENT ASSETS OF THE COMPANY FOR THE PAST TWO FISCAL YEARS, 31 JULY, 1934 - 1935

	31 July 1935	31 July 1934	INCREASE OR DECREASE
Current and Working Assets	$22,348,357	$16,099,483	$ 6,248,874
Current Liabilities	4,249,711	4,897,479	647,768
Net Current Assets	$18,098,646	$11,202,004	$ 6,896,642
Deferred Liabilities	2,000,000	1,975,000	25,000
Net Current Assets after Deducting all Liabilities including Deferred	$16,098,646	$ 9,227,004	$ 6,871,642

COMPARISON OF THE CONSOLIDATED BALANCE SHEETS OF THE COMPANY FOR THE PAST TWO FISCAL YEARS, 31 JULY, 1934 - 1935

ASSETS	31 July 1935	31 July 1934	INCREASE OR DECREASE
Fixed Assets	$ 9,251,394	$ 7,162,866	$ 2,088,528
Trade Marks, Rights and Goodwill	10,380,320	10,380,320	......
Inventories	16,308,293	12,978,655	3,329,638
Accounts Receivable	4,235,183	2,135,285	2,099,898
Investments	398,469	301,969	96,500
Cash	1,306,612	824,765	481,847
Other Assets	401,769	160,778	240,991
	$42,282,040	$33,944,638	$ 8,337,402
LIABILITIES			
Bank Loans (Unsecured)	*$ 2,000,000	$ 2,803,687	$ 803,687
Special Loans	......	1,975,000	1,975,000
Provision for Taxes in Canada and U.S.A.	2,412,680	988,905	1,423,775
Accounts Payable and Accrued Liabilities	1,837,031	1,104,887	732,144
Reserves for Depreciation and Amortization	2,675,163	1,304,671	1,370,492
Capital (1,742,645 Shares N.P.V.)	19,202,427	19,202,427	......
Earned Surplus	14,154,739	6,565,061	7,589,678
	$42,282,040	$33,944,638	$ 8,337,402

*—Advances under Bank Credit Agreement Maturing 31 July, 1940.

Recovery Wheels are Slowed By Unsound Codes for Labor

Higher Production Costs, Reduced Employment and the Diversion of Business from Ontario and Quebec Cited

BY JAMES BIGGAR

Labor code laws are proving a deterrent to business recovery.

Instead of aiding employment in industry they are raising the costs of manufacture. They are placing an uneconomic value on the goods produced. Actually they are lessening employment in the branches of industry where they have been in operation for a comparatively short time.

Outstanding in this respect are the Industrial Standards Act of Ontario and the Extension of Collective Labor Agreements of Quebec.

No Hope of Success

While the motive which prompted the enactment of these measures was avowedly to end sweatshops and improve the condition of workers generally, an objective which all fair-minded employers would like to see realized, the achievement of the desired results has failed utterly. There is no prospect of success under the industrial codes as drafted and now in effect.

An impartial survey of conditions in the building industry shows that in the areas where the schedules of wages and hours are in effect labor costs have increased to the point where the cost of construction has advanced from 15 to 18 per cent. As a result building operations in these areas have slowed down to an alarming degree.

When it is borne in mind that building construction throughout the Dominion, as evidenced by building permits, has experienced an advance about 82 per cent in value for the first ten months of this year over the corresponding period of last year, this setback in zones under the Industrial Standards Act is the more significant.

Costs Increased

In the clothing industry the cost of cloaks and suit coats is being increased from twelve to thirteen per cent as a consequence of the Cloak and Suit Agreement, Schedule A, which has gone into effect this week. The minimum wage rates are being increased in Ontario clothing factories from 50 to 100 per cent for certain operations.

Under the schedule for cloak and suit makers the rate for male operators from Nov. 18 to January 1 next is 75 cents and after the first of the year will be 80 cents per hour. Female operators will receive 20 per cent less. This means a minimum wage for female operators of $25.60 per week.

May Displace Women

As male operators on the average are said to be capable of much more production in this type of work, it is stated on good authority that the greatly increased minimum wage for women will have the inevitable result of displacing many female operators.

Here again the cost of the product in which the labor cost is such an important item, is having the effect of boosting prices. The wage rates in the branch of the clothing industry mentioned are now uniform in both Ontario and Quebec as fixed by the codes. This means that mail order houses must raise prices in their catalogues for Eastern Canada, but prices in Western Canada will not be affected so much because the wage rates are lower in Manitoba.

Business Diverted

Leading clothing manufacturers point out that the greatly increased cost of operating in Ontario and Quebec, due to the codes, will send a lot of business to Manitoba. It will be difficult, they point out, for Ontario and Quebec factories to compete with those in Manitoba.

The main difficulty with the Industrial Standards Act, or any legislation which provides for schedules of wages and hours, is in arriving at fair wage schedules based on sound economic principles. Although wholesale prices between December, 1929, and September, 1935, have declined by 51.6 per cent, and the cost of living index for the same period has dropped by 22.5 per cent, there has not been a corresponding reduction in the dollar wage, among those employed at union wage scales.

Data prepared at Ottawa by the Department of Labor show that the average union scale of wages in six skilled crafts between 1929 and 1934 declined by only 11 per cent, and for common labor in factories that the union scale was lowered by only 9 per cent.

Of course, many workmen in these industries have been employed during the period under review at much lower wages than the union scale, but now with the advent of the Industrial Standards Act the union scale of wages is being immediately put into effect in the trades for which schedules of wages and hours have been adopted.

Trend Reversed

It is evident in view of the decided downward trend in the cost of living, and the much less decline in the dollar wage in manufacturing industries that the "real wage" in the latter has actually increased since 1929.

In face of these undeniable facts any law which results in a general increase in wages of the workers in the building trades, needle trades, or other manufacturing industries, at the present time is delaying economic adjustment.

Defeat Own Ends

During recent months the prices of agricultural products and of other natural products have begun to more nearly approach what the consumer pays for the processed or manufactured goods which he needs. The Industrial Standards Act is having the effect of increasing prices of the latter, and so the farmer or other primary producer, as well as the thousands of consumers who are not in receipt of the increased wages under the codes are unable to pay these prices. With the lessening of consumer demand the industries under the codes are adversely affected, and in the long run those for whom the law was drafted are bound to suffer. Instead of increasing employment this legislation already has had the opposite effect in the building trades.

Enforcement Inadequate

Enforcement of the Act is vested in the Minimum Wage Board of Ontario. The most general complaint among builders and contractors in the Toronto zone is the lack of adequate enforcement. There have been a number of prosecutions in Toronto Police Court, but in several of these cases convictions have not been secured.

It is alleged that collusion exists between certain unscrupulous employers and their employees to evade the law. Under such conditions it becomes very difficult to procure evidence sufficient to convict. The builders say there are not nearly a sufficient number of inspectors to check up on the building jobs to ensure observance of the schedules.

Another instance of lack of enforcement of the law came to light last week when the board administering the electricians' agreements in the Toronto zone adjourned its hearings until its rulings are enforced by the Minimum Wage Board.

Twelve Months Law

The Act provides, Part 11, Sec. 9, that "If, in the opinion of the Minister (of Labor) a schedule of wages and of hours of labor for any industry is agreed upon in writing by a proper and sufficient representation of employees and of employers, he may approve thereof, and upon his recommendation, the Lieutenant-Governor in Council may declare such schedule to be in force for a period not exceeding 12 months and thereupon such schedule shall be binding upon every employee and employer in such industry in such zone or zones to which such schedule applies."

It will be noted that the wages provided under the schedules are only in force for 12 months, when they will be subject to a new agreement between the employees and employers. This feature of the Act has been cited by mortgage companies as a reason for their refusal to recognize the added labor cost at present involved in building construction.

Mortgage Money Shy

Builders are unable to get any added accommodation from the mortgage companies, and in a number of instances have deferred further operations, or the starting of new dwellings, until they can arrange suitable financing. The unfair competition of evaders of the law is also given as a reason for suspension of further building by reputable builders of Forest Hill Village and Toronto.

Although the first of the schedules under the Industrial Standards Act went in force May 30 last—a code for the plumbers, steamfitters and gasfitters in the Toronto zone—the Cloak and Suit Agreement which became law on Nov. 18 is only the 24th schedule. Eleven of the schedules are for the building trades in Toronto.

In other words, during the first five and one-half months that this law has been invoked by certain employees and employers of industry only a very small proportion of trades throughout Ontario have availed themselves of its provisions to date. In the building industry only the trades in a few geographical areas, or zones as they are termed in the Act, have applied for codes.

Piecemeal Legislation

The legislation is permissive. While it might be argued that in this respect it is less offensive to organized business than a compulsory law which would within a specified time bring all industry in the province under codes, the fact remains that its application is piecemeal. Even in the industries which have signed agreements because the latter only apply to certain zones, such as Toronto, Hamilton, or Ottawa. In some instances the whole province is regarded as a zone. This is the case with the brewing industry, the millinery industry, and the cloak and suit industry.

A conference of employees and employers in any industry is called by the Minister of Labor only upon the petition of representatives of each, or either. In a number of cases in which such conferences have been held, to date no agreement satisfactory to both the employees and employers has been reached. From present indications it is evident that it will be a long time, if ever, before any considerable part of the employees of manufacturing concerns throughout the province will come within the purview of the Act.

Criticize Conferences

There have been many complaints regarding the character of such conferences called. Employers in outlying parts of Ontario have complained in some instances that the published notice of such a conference had not appeared in the press soon enough to enable them to attend. Both in the negotiations in some branches of the building trades, and the needle trades, complaint has been heard that representatives of certain employers' associations have undertaken to sign on behalf of all the employers in the industry, or at least for all their members. In one such instance the Government order-er that power of attorney be secured by the manager of the employers' association concerned before assent of the employers in question would be admitted.

Municipal Finances

Calgary's municipal electric light department showed an increase of $2,200 in revenue during October. The collections totalled $105,735 during the month this year compared with $103,362 for October, 1934.

* * *

Vancouver's collection of current taxes for the year to Oct. 31, 1935, was an improvement over the same period last year. Collection of arrears was smaller in comparison. The collections were:

Current Taxes:	1935 $	1934 $
Levy (gross)	11,069,492	12,004,700
Collections (incl. rebate)	8,701,228	8,468,460
Arrears:		
Jan. 1	7,869,634	6,871,636
Collections	1,648,390	2,103,816
Total collections	10,349,619	10,571,276

* * *

Port Arthur's provision for redemption of debentures in 1936 and 1937 is favorable. In these years $687,500 worth of debentures mature and $649,808 is already on hand in the sinking fund to meet them, leaving only $38,000 to be raised by the city. The position is as follows:

	Maturing debentures	Par value in sink. fund
1936	$237,000	$373,043
1937	450,500	276,764

* * *

Edmonton's tax collections for the first ten months of 1935 amounted to $3.2 million as compared with $2.7 for the same period last year. Current land tax collections topped the list being $2.1 million as against $1.8 million last year.

* * *

Saskatoon's tax collections for the first ten months of 1935 totalled $1.2 million. The 1935 levy was $1.7 million, leaving a balance to be collected of $485,891. October collections were $114,946, an increase of $18,416 over the same month last year.

* * *

Jonquiere, Que., has been authorized by the Quebec Municipal Commission to pay interest coupons dated June 1 and July 1, 1935.

* * *

Dundas, Ont., town council has passed a "bonus by-law" by which it empowers the mayor and finance chairman to offer a number of town delinquent business concerns agreements for the settlement of tax arrears on the basis of reduced property and business assessments. The companies and amounts involved follow:

Company	Proposed Amount $	Reduct'n Allowed $
Jones Bros. & Dundas Plate Glass	52,800	28,000
Valley City Seating Co.	31,200	12,000
Woolstox Co.	3,360	960
Steel Fabricating Co. ..	3,840	780

* * *

St. Honore, Que., has been granted authority by the Quebec Municipal Commission to pay interest on the following:

Coupons dated Nov. 1, 1933 and Feb. 1, 1933.

Interests from May 1, to Nov. 1, 1933, on bonds matured May 1, and Nov. 1, 1932, and May 1, 1934.

Interests from Aug. 1, 1933, to Feb. 1, 1934, on bonds matured Aug. 1, 1932 and 1933.

* * *

Hamilton's tax collections for the first ten months of 1935 show a substantial increase, amounting to $410,000. The collections follow:

Tax Collections to Oct. 31

	1935 $	1934 $
Current	5,330,000	5,170,000
Arrears	1,384,000	1,135,000
Totals	6,715,000	6,305,000
All taxes	7,199,000	6,850,000

* * *

Tillsonburg, Ont., tax collections during October, 1935, totalled $770, compared with $162 for the same month last year. Collections for the 10 months of the year are more than $17,000 ahead of the first 10 months of 1934. The collections for the last five months are as follows:

Total Collections, Five Months

	1935 $	1934 $
June	159	....
July	57,365	47,567
August	911	645
Sept.	18,552	12,051
October	770	162

Holt Joins Board West Kootenay Power

From Our Own Correspondent

MONTREAL.—Sir Herbert S. Holt has been elected to the board of directors of West Kootenay Power and Light Co., filling the vacancy created by the death of Edwin Hanson.

COURT APPROVES COAST TERMINALS PROPOSED SALE

Consolidated Smelters to Acquire 55 Per Cent Interest

Approval of the sale proposal whereby Consolidated Smelters will acquire a 55 per cent interest in the Pacific Coast Terminals Ltd. at New Westminster from the bondholders has been given by the Supreme Court of British Columbia.

In connection with the resale proposal placed before bondholders by Montreal Trust Co., trustee, objections from one-third or more of the bonds outstanding would have blocked the plan. As no objections were registered, Chief Justice Morrison gave the formal approval of the court.

In submitting the proposal to bondholders, the Montreal Trust Co. advised them that J. J. Warren, president of Consolidated Smelters, had given assurance that if the basis of the proposed deal was approved, he would recommend acceptance to the board of directors. The Montreal Trust letter expressed confidence that if approved by bondholders the deal would be implemented in full.

Smelters Pays $270,000

As approved by the court the plan provides for the formation of a new company with share capital of $600,000 in $1 par shares, all of which are to be issued. Smelters will purchase $330,000 par value of the share capital for $270,000, thus acquiring a 55 per cent interest. Of this sum $15,000 will be paid to the new company and $225,000 to the trustee. The latter amount is estimated to be sufficient, after expenses, to provide $80 cash for each $1,000 bond. Bondholders will also receive 18 shares of common stock for each $1,000 bond held and will have one representative on the board of directors.

Approval of the deal gives Smelters control of the main section of the Fraser River waterfront at New Westminster. Pacific Coast Terminals Ltd. owned outright the waterfront upon which the large concrete cold storage and warehouse is located and the contiguous docks. In addition the company has a 20-year lease, which still has 18 years to run, on the section of the waterfront east of the Terminals property.

Manitoba Trade Boards Ask Survey of Debt Law

Provision for termination of all debt adjustment legislation was advocated in a resolution passed at a meeting of the Manitoba Associated Boards of Trade recently. Little difference of opinion was voiced by delegates from Winnipeg and other larger centres and those from small towns throughout the province.

Claiming that the Farmers Creditors' Arrangement Act and the provincial debt adjustment acts impaired the morals of the people and the standard of business integrity, the convention urged that emphasis should be laid on the temporary nature of such legislation.

The resolution called for a survey of the whole debt legislation field at the proposed conference between the Dominion and the various provincial governments.

U. S. ADVERTISING RECORDS BIG GAIN

Returns for October Were Best Reported in Several Years

From Our Own Correspondent

MONTREAL.—Newspaper advertising linage in the United States during October, despite a poor showing in the general classification, rose to the highest levels of the year, and made the year's biggest percentage gain over corresponding months of 1934, according to the records of Media Records Inc. and published by Editor and Publisher.

The measurement of the daily newspapers of 52 leading cities showed total linage of 117.4 millions, a figure which has not been duplicated for any month except November, 1931.

Cumulative linage for the first ten months of 1935 in the 52 cities was slightly over 1,010 millions, which was 5 per cent better than for the corresponding ten months period of 1934. General advertising, as mentioned above, was disappointing. This is the only classification to fall behind 1934 levels, losing 5.7 per cent. Outstanding is the sharp gain in the automotive division, which produced 5.7 million lines, as against 3.9 million lines in October, 1934.

Financial advertising was another division to make a good showing in percentage of gain, although the actual linage is comparatively small.

Both department stores and retailers as a whole showed up well, improving their margins over 1934.

1866 1935
BRITISH AMERICAN BANK NOTE COMPANY LIMITED
THE OLD CANADIAN COMPANY
Specializing in the production of stock certificates for Mining Companies.
HOWARD W. PILLOW, President
CHARLES G. COWAN, Vice-Pres. & Man. Dir.
G. HAROLD BURLAND, Sec.-Treas.
HEAD OFFICE : OTTAWA
262 Wellington Street
511 Place d'Armes, MONTREAL
1110 Bank of Hamilton Bldg. TORONTO

NATIONAL ACCOUNTING MACHINES and CHEQUE WRITER give MANITOBA'S COMPTROLLER GENERAL . . . . Control OF GOVERNMENT FUNDS

ABOVE — These Forms provide running records of disbursements for Manitoba's Comptroller-General. With the swiftness and accuracy of machine control they keep every vital record always up to date and give a clear picture of the exact positions of accounts at any time during the month. IN PHOTOGRAPH AT LEFT — This is the "mechanical brain" of the Manitoba Comptroller-General's Department.

EVERY expenditure of Manitoba government funds on behalf of all Provincial Government departments (with the exception of expenditures of certain specific commissions which handle their own receipts and disbursements) is safeguarded by accurate, time-saving, efficiency-promoting machine control.

As expenditures are made, they are immediately recorded on National Bookkeeping Machines. These machines enable the Comptroller's department to keep their books and records continuously in balance, the machines giving a continuous balance, subdivided by departments. As a consequence, the month-end does not bring with it the usual few days delay and holding up of current work while the balance of the previous month's accounts is being drawn off.

All cheques covering disbursements are written, analysed and signed by a National Checkwriting and Signing Machine. This machine signs and countersigns, prints the date, consecutive cheque number and the amount as each cheque is written; at the same time accumulating the amount of money and counting the number of cheques. This machine has twenty-seven department totals which provide an automatic analysis of disbursements as they are made. The totals provided by this machine must balance with the totals accumulated on the National Bookkeeping Machines which post the Appropriation Ledger and record the cheques. The National Checkwriting and Signing Machine is controlled by separate keys which are in the charge of different officials.

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AUSTRALIA and NEW ZEALAND.
BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
(With which are amalgamated the Western Australian Bank & The Australian Bank of Commerce Ltd.)
Paid-up Capital - - - £ 8,780,000
Reserve Fund - - - 6,150,000
Reserve Liability of Proprietors - - - 8,780,000
£ 23,710,000
Aggregate Assets 30th Sept., 1934 - - - £116,995,000
A. C. DAVIDSON, General Manager.
723 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea, and London. The Bank transacts every description of Australasian Banking Business. Wool and other Produce Credits arranged.
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London Office: 29, THREADNEEDLE STREET, E.C. 2.
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MONTREAL TRUST COMPANY
61 Yonge St., Toronto
J. F. HOBKIRK, Manager

THE FINANCIAL POST

SECOND SECTION

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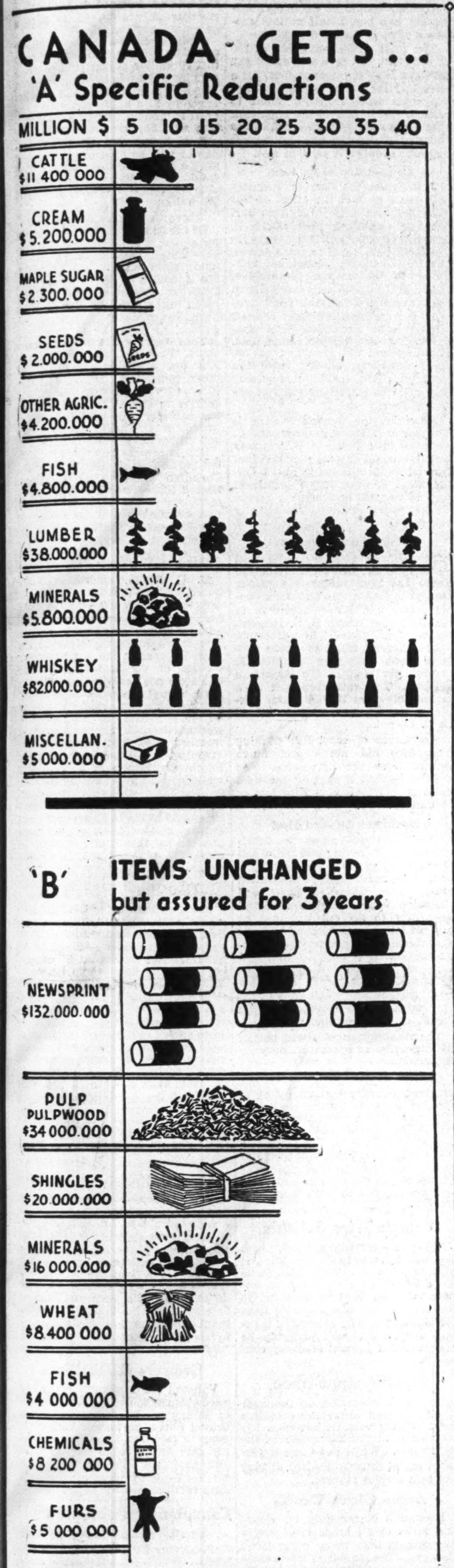
Three-Quarters of a Billion in Trade Affected by U. S. Pact



As the diagram shows, the two major markets opened to Canada by the new trade pact are in lumber and whisky. The remaining concessions are mostly in agricultural produce of various kinds. These agricultural benefits may be of much greater benefit if they serve to lift the general level of farm prices in the country by removing from the Canadian market a burdensome surplus.

Total value of these specific benefits amounts to about $160 millions on the basis of pre-depression trade (year ending June 30, 1929). The figures are from U. S. trade returns and whisky trade is valued on the basis of existing stocks rather than past trade, since there was no trade in this commodity six years ago.

In group "B" is shown the relative importance of items on which the pact guarantees no change in existing trade relations during the period of the treaty. Some $230 millions of trade is involved here.

A MAJOR problem presented by any trade treaty such as United States and Canada consummated last week is that of visualizing the sum total of its many provisions and their relative importance in the national and international scheme of things.

Present volume of trade is a poor yardstick for such a task since the major purpose of the agreement is to boost trade far beyond its present narrow confines. Accordingly it is necessary to get back to an earlier year when trade was on a more normal basis throughout the world generally and before the specific tariff barriers of the past five years were erected. It is these barriers (the Hawley-Smoot and Bennett Emergency Tariff in particular) which have now been largely obliterated.

The basis chosen by The Post for this pictorial survey of the Trade Agreement is therefore trade during the pre-depression fiscal year 1928-29. For Canada, this means the twelve-month period ending March 31, 1929; for the United States the period ending June 30, 1929, since U. S. trade figures are used to estimate the worth of Canadian exports to that market.

* * *

In brief CANADA GETS from the pact, concessions on agricultural and other natural products which involved in 1928-29, a total trade of about $80 millions. This same trade had shrunk by 1934-35 to $31 millions. To this must be added a very important but new concession namely a market for some $82 millions of whisky which of course did not appear in the 1928-29 picture due to the existence of Prohibition in the United States.

In addition, Canada gets assured free entry into the United States of an important list of items whose trade in 1928-29 was valued at $230 millions and in 1934-35 at $118 millions. Chief item in this list is newsprint and its products. A potential gain is the opportunity to benefit by any subsequent most-favored-nation agreements made by U. S. A.

* * *

On the other hand CANADA GIVES the United States two fundamental concessions. One of these is a specific list of tariff concessions comprising machinery, fruits and vegetables, farm implements, household goods, etc., which in 1928-29 involved total trade of $170 millions and in 1934-35, $36 millions. The second very vital concession not generally understood because it comprises many hundreds of items not listed in the treaty, is the broad undertaking to extend to the United States the benefit of our intermediate tariff instead of the general tariff which she now enjoys.

This concession in itself involves a total trade of between $160 and $175 millions on the basis of 1928-29 figures and some $40 millions of trade on the 1934-35 basis. It includes concessions for the most part of from 2½ to five per cent and covers a comprehensive list of textile and clothing items; almost every item affecting the huge automotive industry, its parts, engines, vehicles, etc.; and other vital groups such as furniture, boots and shoes, jewellery.

Our total imports thus affected on the pre-depression basis are therefore in the neighborhood of $350 millions or 40 per cent of our total normal exports from the United States, for in addition to the two concessions mentioned, a further $40 millions trade in items unchanged but confirmed for three years by the treaty is included.

A further concession of great benefit to the U. S. comes through elimination by Canada of arbitrary valuations for duty purposes.

* * *

Adding together the sum total of import and export trade affected by the pact we get an approximate figure of about three quarters of a billion dollars on the pre-depression basis, affecting about 50 per cent of our trade with United States in those years, and almost 30 per cent of our total trade with all world countries.

At the left and right of this page are shown animated diagrams to indicate the relative importance of the various concessions on the basis of the 1928-29 yardstick. Below are brief summary paragraphs giving the factual highlights of the major clauses of the pact.

Concessions to Canada

Cattle

An annual market for approximately 230,000 head of Canadian cattle is made possible by the U.S. concessions. For 155,000 head of beef animals (700 pounds or more) the duty is reduced from 3 cents to 2. For 20,000 head of dairy stock the reduction is from 3 to 1½ cents and for 52,000 calves the duty is cut from 2½ to 1½ cents.

Based on present-day values in the United States this indicates a direct sale of approximately to $10 millions to Canadian producers or close to the 1929 trade. Indirect benefit, however, may be very much larger, as the removal of such a surplus from domestic markets might conceivably result in all cattle prices moving up a cent a pound. This might mean a total gain of $75 millions in Canadian values. Everything will depend on the maintenance of present high United States prices which permit shipment over a two cent tariff and also on adequate machinery to keep exports within the quota. The prairie provinces and Ontario are expected to benefit especially.

* * *

Fish

In 1928-29 the amount of Canadian fish exported to the United States which would have been affected by the revised duties was valued at $4.8 millions. Last year it was $3.4 millions. Most important change is a 50 per cent cut in the duty on halibut; 25 per cent cuts on lake fish, fresh salmon and swordfish. The Maritimes expect the greatest benefit from the pact, the aid to British Columbia fisheries being probably relatively small. On a number of important items no reductions were made, but existing rates were confirmed for the life of the treaty.

* * *

Lumber

Exports to the U. S. of those classes of lumber on which reductions have been made dwindled from $38.2 millions in 1929 to $5.8 millions last year. This item is comprised almost entirely of planks and boards and a duty of $1 per M. bd. ft. plus a special tax of $3 per M. bd. ft. (imposed in 1932) is halved under the pact.

One third of the trade affected is in Douglas fir and western hemlock lumber. On this item a quota is levied of 250,000 M. bd. ft. annually. Any imports from Canada above this figure must pay full duty. Prior to 1932 our exports of these woods totalled 400 M. bd. ft. annually. Since 1932, exports have virtually disappeared.

* * *

Minerals

Exports to the U. S. of minerals which achieve lower tariffs by the treaty amounted to $5.8 millions in 1928-29 and $854,000 in 1934-35. Decreases in duties ranging from 30 to 50 per cent are expected to stimulate mining for feldspar, the iron associates of manganese and other minor metals, and lime. No move was made to reduce the special tax imposed by the States on imports of copper in 1932. On many other important items no reductions were made, but current rates were confirmed for the duration of the pact. (See below.)

* * *

Whisky

Exports of whisky to the United States last year were $16 millions. The halving of the former $5 a gallon duty on stock more than four years old is regarded as one of the most important concessions. Canadian distillers estimate that they have on hand 30 million gallons of whisky of this type, which is suitable for blending. This stock is valued at $2.75 a gallon, or a total estimated stock which might benefit of $82 millions.

* * *

Dairy Products

The reduction in the duty on cream from 55 cents per gallon to 35 cents still leaves a considerable tariff over which it is doubtful whether any considerable quantity will find its way. Sharply higher prices, however, might stimulate some trade. A drop in the cheese duty of two cents to five cents per pound is considered more important. Some export is expected from Ontario and Quebec. Any additional export to the already important shipments to Great Britain will relieve pressure on fluid milk and butter markets.

Cream exports in earlier years were as high as $7 millions annually, but had shrunk to very small proportions last year. Cheese exports have steadily declined in recent years.

Existing Rates Assured

Newsprint

Most important single item in Canada-U. S. trade relations is newsprint. For years it has entered the U. S. free but, of late, threats and rumors have arisen that a tariff might be considered to aid domestic production. Whether or not these threats would be realized is an academic question for the next three years, since the U. S. (by the treaty) agrees to admit our product free during that time.

For comparative purposes the yardstick used here is U. S. imports of Canadian newsprint in 1928-29. This was at the high price levels of six years ago. The present value of trade ($68 millions in 1934-35) is more an indicator of present trade, though Canada hopes better prices and demand will soon boost this to at least the $100 millions mark. The figures are from U. S. trade returns.

* * *

Woodpulp and Pulpwood

Trade which six years ago was valued at $34 millions is assured continued free entry into the United States during life of the trade pact. In addition to pulpwood, three types of wood pulp, namely, bleached sulphite, ground and soda, are mentioned specifically.

* * *

Shingles, etc.

Another assured market at prevailing free entry basis is shingles and other wood products such as logs, laths, posts, pickets, etc. On shingles Canada is restricted to approximately 25 per cent of U. S. consumption annually. This is not taken kindly by B. C. interests, who have been supplying between 35 and 40 per cent of the U. S. demand.

* * *

Minerals

Most important mining items mentioned in the treaty are those which are still retained on the free list with assurance of no change for the life of the pact. These include: unmanufactured asbestos, cobalt and cobalt ore, nickel ore matte and oxide, plaster rock or gypsum. Trade in these items continues high at $8 millions last year compared with $16 millions at much higher prices six years ago.

* * *

Chemicals

The two chemicals for which Canada is assured free entry for three years are calcium cynamid and sodium cyanide. Trade last year of $3 millions was $8.2 millions a few years ago.

* * *

Furs

Continued free entry of certain furs and fur skins is assured by the treaty. The items mentioned specifically are: mink, beaver, muskrat and wolf.

Concessions to U. S. A.

Oranges

Wiping out of the former rate of 35 cents per cubic foot means a saving to consumers of from three to nine cents per dozen. This is the maximum reduction effective during February, March and April. A boon to California and Florida, the cut may adversely affect South Africa and to some degree Palestine and Japan. Total imports last year were $6 millions of which $5 millions came from U. S. A.

* * *

Fresh Fruit, Vegetables

In 1930 Canadians spent $47 millions on fresh fruit and vegetables exclusive of oranges. Of this amount about $14 millions annually was imported prior to imposition of seasonal duties by the Bennett government. Last year (ending Mar. 31, 1935) total imports were $10 millions of which $7 millions came from United States. The agreement cuts the tariff in half to 15 per cent on most vegetables. Small fruits now enter at 15 per cent instead of 20 per cent. Grapes, melons, grapefruit come in at one-half cent per pound less.

* * *

Canned Fruit, Vegetables

Canada's imports of canned fruit and vegetables in 1928-29, from all sources, were valued at $4.8 millions of which $3 millions came from U. S. A. Value of U. S. trade had shrunk to $565,000 in 1934-35. Biggest gain is expected in imports of canned asparagus and canned pineapple which were leaders before. The tariff cut on fruits amounts roughly to 1½ cents per tin.

* * *

Electric Motors

Import trade in electric dynamos, generators, transformers and motors which five years ago reached $5 millions annually is affected in the pact, the duty being cut from 37½ to 30 per cent. Some $2 millions of electric telephone and telegraph apparatus (1929 basis) is also affected, the duty dropping from 30 to 25 per cent.

* * *

Farm Implements

Back in 1929 Canadian farmers bought over $50 millions of farm implements of which 60 per cent were imported. Last year the total had shrunk to $8.5 millions of which only $3.4 millions were imported—all from the United States.

The new pact cuts a former duty of 25 per cent, in half, on most items. But if Canadian farmers can find a big, fair-priced market for their produce in the U. S. they should be able to increase purchases from all makers, very substantially.

* * *

Periodicals

In 1930 Canadians spent $33 millions on periodicals, books, etc. Of this, $4 millions went annually to U. S. for newspapers, magazines, etc. Under a duty of five to 15 cents per copy (imposed four years ago) Canadian publishers boosted sales of domestic periodicals materially and in some cases reduced prices. Imports dropped to under $1 million. Now U. S. periodicals again come in free, but publishers gain by lower machinery, paper and raw material costs.

* * *

Machinery

In peak years Canadians have spent as much as $120 millions annually on machinery of all kinds. To enable Canadian manufacturers to reduce production costs the new tariff makes drastic cuts on nearly all important machinery classes.

Thus unclassified machinery (which comprised 80 per cent of trade affected by the treaty on the basis of 1928-29 imports) is now admitted at 25 per cent against 35 per cent formerly; printing and publishing, business equipment, mining, logging, baking machines are specially marked for lower imposts.

* * *

Iron and Steel

Comprised chiefly of a blanket tariff item embracing scores of manufactured iron and steel products of which total imports in 1928-29 amounted to $13 millions. By last year this had declined to $3 millions. The tariff is cut from 35 to 25 per cent. Other items to benefit are axles, formerly 35 per cent, now 30 per cent; pipe fittings, cut to 27½ per cent from 30 per cent. On an important additional group (iron and steel angles, beams, etc.) in which trade in 1928-29 reached $7 millions, the tariff is unchanged at $3 per ton but is confirmed at that figure for the life of the agreement.

* * *

Household Goods

Many items which go direct to consumers come in for lower tariffs. Notable is radios which enter at 25 per cent against 30 per cent previously. Radio imports in the fiscal year 1929 were $5.6 millions and a year later had jumped to $10.4 millions. By this year they were back to $150,000. Other items are: washing machines (down from 35 to 25 per cent); refrigerators (down from 40 to 30 per cent); tin and enamel ware and heating appliances. The latter are down from 30 to 25 per cent. On dolls and toys of all kinds a cut from 40 to 30 per cent will probably divert imports from Germany and other lands.

Intermediate Tariff

Automobiles

Most cars imported from the United States (or used in Canada for that matter) come under the tariff schedule of cars valued at less than $1,200. By obtaining intermediate tariff status these cars get a 2½ per cent duty reduction (to 17½ per cent) plus a 2 per cent saving by reason of the fact that an import tax of 5 per cent is now replaced with the general 3 per cent excise tax. Further aid is a new valuation basis for dealer list prices which nets an additional 5 per cent saving. Cars valued at $1,200 to $2,100 get a tariff cut from 30 to 22½ per cent; cars over $2,100 a cut from 40 to 30 per cent.

* * *

Gasoline

Gasoline imports by dropping to the intermediate schedule affect a reduction in price of but ¼ cent per gallon. The general rate was 2½ cents; the new rate 2¼ cents. Consumers seem to see more hope for lower prices in the tariff board enquiry into gasoline now under way at Ottawa.

* * *

Boots and Shoes

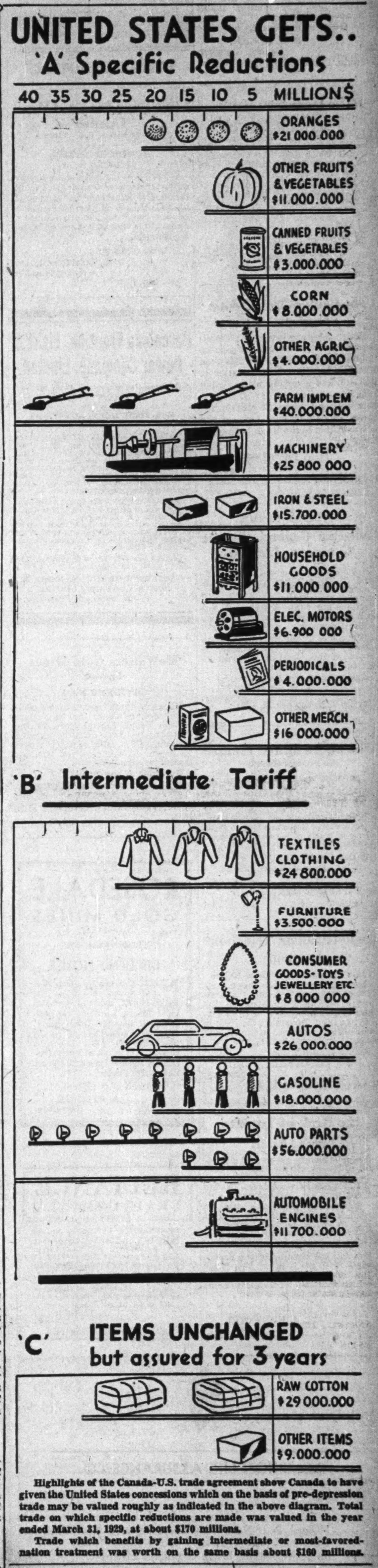
All kinds of boots and shoes whether of leather or rubber are now apparently to enjoy intermediate tariff rates from the United States. The former general rate was 40 per cent on leather boots and shoes; it is now 35.

* * *

Automobile Parts

No item in Canada's trade is reputed to be more complicated than automobile parts. A huge omnibus group, it still omits many important items. However, the fact that $56 millions of trade came into Canada under this item in 1928-29 indicates its wide importance and explains the interest and concern of parts manufacturers who will come under the intermediate rather than the general tariff. Incidentally an additional $12 millions should be added to this

(Continued on page 12)



Highlights of the Canada-U.S. trade agreement show Canada to have given the United States concessions which on the basis of pre-depression trade may be valued roughly as indicated in the above diagram. Total trade on which specific reductions are made was valued in the year ended March 31, 1929, at about $170 millions.

Trade which benefits by gaining intermediate or most-favored-nation treatment was worth on the same basis about $160 millions.

Herridge Gets Most Credit; Roosevelt Obtains Loophole

Who is responsible for the Canada-U. S. trade pact?

Best opinion The Financial Post can obtain says that to Hon. W. D. Herridge should go about 95 per cent of the credit. Thus all but three items in the treaty are said to have been completely settled before Mr. King arrived.

The three which had been negotiated but not finally settled were cattle, cream and seed potatoes. Cream, it is said, was more or less a "gift" concession at the last minute.

On the other hand, of course, Mr. King brought potent weapons in his hand to seal the pact, namely the will to reduce arbitrary valuations and take a more liberal view of trade relations generally.

Although the pact is for three years at least (after three years either nation may give six months notice of cancellation) there is one very vital loophole which is President Roosevelt's protection against an uprising in western states.

That is the provision that either country may on 30 days notice impose quotas or quantitative restrictions on any commodities mentioned in the agreement whenever such is deemed necessary "in conjunction with governmental measures operating to regulate or control the production, market supply or prices of like domestic articles or tending to increase the labor costs of production of such articles."

The quota proviso would apparently affect both existing quotas under the pact or items now without a quota.

Tourist Purchase Proposal Not Part of New Trade Pact

The suggested plan for allowing Canadian tourists to bring in personal purchases from the United States up to a limited figure is not part of the U. S.-Canada trade agreement.

Reference to this appears only in a special communique to the press and states that as a result of discussions arising out of the treaty, the Canadian Government

"has decided to invite Parliament to apply a similar policy to meet the special characteristics of our relationship to the United States."

The word "similar" in the above paragraph applies to the plan whereby the U. S. has allowed residents returning from abroad to bring back free of customs duty, purchases up to the value of $100.

The statement does not indicate what size of exemption will be recommended to Parliament when it assembles at Ottawa next January.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 195

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1935, and that the same will be payable at the Bank and its Branches on and after Monday, 2nd December next, to shareholders of record at the close of business on the 31st October, 1935. The Transfer Books will not be closed.

By Order of the Board,

S. H. LOGAN,
General Manager.

Toronto, 18th October, 1935.

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1935, making a total distribution of ten per cent for the current year—the Dividend will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 2nd day of January, 1936, to shareholders of record of the 20th December, 1935.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 15th November, 1935.

The Bank of Nova Scotia

Dividend No. 264

Notice is hereby given that a Dividend of three per cent on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of December 16th, and that the same will be payable on and after Thursday, the second day of January next, at any of the offices of the Bank in Canada.

By order of the Board.

H. F. PATTERSON,
General Manager.

Halifax, N.S., November 12th, 1935.

DIVIDEND NOTICE

Canadian General Electric Company, Limited

Notice is hereby given that a dividend of 75 cents per share for the quarter ending December 31, 1935, being at the rate of 6% per annum upon the par value of the stock, has been declared on the Common Stock of the Company.

The above dividend is payable on January 1, 1936, to shareholders of record at the close of business on December 14, 1935.

By Order of the Board,

W. H. NESBITT,
Secretary.

Toronto 2, November 13, 1935.

Lake Shore Mines, Limited

(No Personal Liability)

Dividend No. 63—Bonus No. 24

NOTICE is hereby given that a quarterly dividend of fifty per cent, together with a bonus of fifty per cent, on the issued capital stock of the Company, will be paid on the sixteenth day of December, 1935, to shareholders of record at the close of business on the second day of December, 1935.

By Order of the Board,

Kirkland Securities, Limited,
Secretary.

Dated at Kirkland Lake, Ontario,
November 15th, 1935.

Anglo-Canadian Telephone Company

Class B Common Dividend Notice

Notice is hereby given that a dividend of One and One-half Per Cent (1½%) has been declared on the Class B Common Stock of the Company, payable November 25, 1935, to Stockholders of record at the close of business on November 15, 1935.

By Order of the Board.

GEOFFREY PURDY,
Secretary.

Montreal, November 15, 1935.

The Bank of Toronto

Dividend No. 217

Notice is hereby given that a **Dividend of Two and One-Half** per cent upon the paid-up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its Branches on and after the second day of December next, to shareholders of record on November fifteenth, 1935.

The Annual Meeting of the shareholders will be held at the Head Office of the Bank on Wednesday, the Fifteenth day of January next, the chair to be taken at noon.

By order of the Board.

H. B. HENWOOD,
General Manager.

Godfrey Realty to Make Interest Payment Dec. 1

The bondholders' committee of Godfrey Realty Corp., Montreal, has announced that a payment of 1½ per cent will be made on account of interest on the six per cent bonds on December 1 next.

There is to be added to this payment interest at six per cent on the deferred interest. A holder of a $1,000 bond will be entitled to receive $16.40, a $500 bond $8.20, and a $100 bond $1.64.

Bondholders can obtain this payment by presenting "installment coupon E" attached to the bonds.

DIVIDEND NOTICES

Little Long Lac Gold Mines Limited

25 King Street West, Toronto

DIVIDEND NOTICE

DIVIDEND NO. 1

NOTICE is hereby given that a dividend of 10c per share has been declared by the Directors of Little Long Lac Gold Mines Limited, payable in Canadian funds on January 20th, 1936, to shareholders of record at the close of business on December 19th, 1935.

By Order of the Board,

L. A. MACDONALD,
Secretary-Treasurer.

Nov. 19th, 1935.

Barcelona Traction, Light & Power Company, Limited

(Incorporated under the Laws of the Dominion of Canada)

5½% FIRST MORTGAGE BONDS

NOTICE IS HEREBY GIVEN that the half-yearly interest on the 5½% First Mortgage Bonds of the Company, payable in Pesetas, and due 1st December, 1935, will be paid on and after December 2nd, 1935, at the Office of Messrs. Arnus-Gari, 9, Paseo de Gracia, Barcelona, Spain, against production of Coupon No. 48.

Bondholders have the option of collecting the above peseta interest at The Canadian Bank of Commerce, Toronto, in Canadian currency at the current rate of exchange between Madrid and Toronto for the day upon which such coupons are presented for payment.

DATED this 21st day of November, 1935.

For
BARCELONA TRACTION, LIGHT & POWER COMPANY, LIMITED.
R. H. MERRY, Secretary.

McWatters Gold Mines

Limited

DIVIDEND No. 1

Notice is hereby given that a dividend of Five Cents (5c) per share on the issued capital stock of the Company has been declared payable December 18th, 1935, to shareholders of record at the close of business December 4th, 1935.

By order of the Board,

C. F. TUER,
Secretary-Treasurer.

Haileybury, Ont., November 13th, 1935.

ROSEDALE GOLD MINES LIMITED

(No Personal Liability)

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 1% on the issued capital stock of Rosedale Gold Mines, Limited, has been declared, payable December 1, 1935 to shareholders of record November 26, 1935. Dividend cheques will be issued by the Disbursing Agents, Prudential Trust Company, Limited.

On behalf of the Board,

A. RITCHIE,
Secretary.

RELIANCE GRAIN COMPANY LIMITED

PREFERENCE DIVIDEND No. 32

NOTICE is hereby given that a dividend for the quarter ending November 30th, 1935, at the rate of 6½% per annum, will be paid on December 14th, 1935, to all preference shareholders at record at the close of business on November 30th, 1935.

By order of the Board.

A. W. GIBB,
Secretary.

Winnipeg, November 7th, 1935.

DOMINION LIFE ASSURANCE CO.

This company was organized by Thomas Hilliard, in 1889 in Waterloo, Ontario, who, at the age of 94, still resides in Waterloo and takes an active interest in the company's affairs.

The company is licensed to transact business in Canada, Newfoundland, Jamaica, B.W.I., and the State of Michigan, U. S. A. The annual report, February, 1935, showed that the total assurance in force amounted to over one hundred and fifty millions.

The company advertises in—

Maclean's
Canada's National Magazine

Nearly Every Canadian Investor Affected by U. S. Trade Agreement

Many Firms That Lose Part of Protection May Benefit from Gains in Agricultural and General Purchasing Power

Virtually every Canadian investor has a direct or indirect interest in the trade agreement between Canada and the United States.

Indiscriminate buying of stocks occurred while the agreement was in progress and after the terms were released. Sober second thought in some cases took prices down.

Even where tariff changes do not affect directly the fortunes of companies in which the investor has an interest, there may be important indirect effects as a result of changes in currents and volume of trade. Where the direct effect of tariff reductions may at first sight seem unfavorable, a company's securities may gain from less apparent consequences of the trade agreement.

Appraisals of Results

In this article, appraisals are made of probable influences bearing on numerous firms as a result of the trade agreement. Most of the views are culled from business executives and capitalists interested in the various enterprises and securities. In actual developments, there will doubtless be some upsetting surprises. Some industries will benefit to a greater degree, others may lose more heavily, than at first anticipated.

Some corporation managers take the view that even though their own business suffers a direct reduction in tariff protection under the trade agreement, they may benefit from any increase in general purchasing power resulting from the pact. Many take the protectionist stand; that if tariff reduction increases their competition they cannot employ as many persons. The view that benefits to primary industry will aid many secondary manufacturing concerns appears, however, to be extensive.

A complete survey of possible effects of the treaty on investments would fill a large book. Brief comments, however, are summarized for the investor in the following:

Farm Implement Firms

The stock market interpreted the effect of the U.S.-Canadian treaty differently from executives of the farm implement companies. **Massey-Harris** in a very active market went up. **Cockshutt Plow Co.** went to 8¾ on the morning of the announcement but receded later. The investors looked at the increase expected in farm income as a result of the treaty, the companies themselves looked at the splitting of the duty in two as likely to bring a lot more United States farm machinery into Canada.

Cutting of duties in half will increase competition in the home market for **Massey-Harris Co.**, executives state. Since the war the company has lost the foreign market largely because other countries have raised tariffs, established quotas, made burdensome exchange restrictions or absolutely forbidden imports. Formerly 60 per cent of output went abroad. Now the company depends on the home market and it cultivates the foreign markets through foreign plants in Germany, France, Australia and elsewhere. To get prices lower, quantity production is aimed at and cost per unit will increase if part of market is lost. Executives expect some loss of market and therefore view the reductions with mixed feelings.

As Massey-Harris manufactures for the home market, advantages gained by the farmer may give some benefit in better collections and sales in some districts if farm recovery is pronounced. The company is greatly concerned, however, at the new development, The Financial Post is told. It may affect employment by the company.

Competition from U.S. farm machinery will increase for **Cockshutt Plow Co.** Hon. Henry Cockshutt, chairman of the board, Brantford, says the general effect of the agreement will be to let some workers go. He claims "adequate" protection is necessary.

Waterloo Manufacturing Co. needs prosperity in agricultural districts to stage a comeback. It wants to collect old debts and make new sales. It is helped on one side and will have to fight harder to increase its sales. Much depends on the price of wheat next spring and that will be affected by something other than the treaty.

W. D. Beath & Son and **T. E. Bissell Co.** both appear to require increased business more than anything else. If they obtain it, the tariff reduction may be of lesser importance.

Oil Companies

The large oil companies will not be affected by the reduction in tariff on gasoline from 2½ cents a gallon to 2¼ cents a gallon. Nor will they gain much advantage from the drop in tetraethyl lead duties. The Canadian companies import crude petroleum for the greater part of the gasoline sold in Canada and, it is believed, can compete with the duty of 2¼ cents. The tariff board has this whole question of gasoline prices before it and the matter will be considered soon, it is expected. The industry is quite contented with the duty cut. It is not enough to let United States gasoline undercut Canadian prices.

Imperial Oil, B. A. Oil, McColl-Frontenac are anxious to have stable tariff conditions. As this is embodied in an agreement they are encouraged to hope that the companies may be free for a few years from "snipers."

International Petroleum, as a supplier of crude from South America, is not greatly concerned. United States suppliers of crude are not anxious to disturb that company's position and to throw it on the world markets in search of new markets. They feel that the ultimate result might be bad for both. As things stand, it is unaffected.

Steel Companies

The basic steel industry of the Dominion will be affected by the Canadian-American trade agreement should the treaty jeopardize the position of its consumers in converting industries.

Asked for his views as to how the new agreement would affect the steel industry, Ralph H. McMaster, president of the **Steel Co. of Canada**, said:

"The objective of the treaty will find general acceptance. The interests of our primary producers are all important. An increase in the purchases by the United States from Canada would appear inevitable, having regard to the extent of the Canadian obligations held in that country.

"The cost to Canada of the concessions granted can only be measured by experience and safeguards are provided permitting the removal of any serious injustices.

"It is to be hoped that its duration will be sufficiently long to promote the welfare of the agriculturists and other primary producers.

"For some years the steel industry in Canada has pursued a price policy calculated to support the interests of the ultimate consumer, and generally speaking, dependence on the tariff has been confined to competition resulting from depreciated currency or countries with depressed labor rates.

"Naturally the basic steel industry will be affected should the position of its consumers in the converting industries be bettered."

Textile Companies

Dominion Textile, Canadian Cottons, Canadian Celanese, Courtaulds, Hamilton Cottons, Cosmos Imperial, Zimmerknit, and other textile manufacturers are uncertain as to how the concessions granted under the Canada-U.S. Treaty will affect their business. The American manufacturers will have certain definite advantages.

The effect which the treaty will have upon Canadian manufacturers will depend very much upon the price levels in the United States. At all times there is a very small margin on textile prices, and as long as there is little or no spread between the price levels of the two countries, it is not expected that concessions granted to the United States under the treaty will seriously affect Canadian industry. On the other hand, it is anticipated that importers will take advantage, at an early opportunity, to test out the concessions. As far as the manufacturers are concerned, they state that they can only sit back and wait to see what the developments are before they can give an opinion as to how the agreement is likely to affect them.

Dairy Companies

Dairy companies will be largely unaffected. The drop in U.S. duty on cream is not expected to promote sales materially. There is a limit of 1.5 million gallons on exports under the new duty but the new duty at 35 cents a gallon is still regarded as prohibitive for even that amount. Whatever sales there may be for cream, butter or cheese will not affect the whole-milk market. The requirements and the prices are altogether different. Any farmer that can sell milk for consumption in Toronto, Montreal, Winnipeg or elsewhere will do so. The United States is a little short on butter and a cut on butter duty would have been appreciated.

Dairy Corp., Silverwood's, Borden Co. and **Eastern Dairies** at least will be no worse off.

Silk Manufacturers

Riverside Silk, Belding-Corticelli, Ontario Silknit, Supersilk Hosiery and **Bruck Silk Mills** do not expect to be seriously affected. While the tariff reductions under the most-favored-nation rates cover a wide range of silk and artificial silk fabrics and articles of clothing, competent opinion in the industry is that reductions have not been sufficient to permit extensive competition from American manufacturers. Canadian silk manufacturers can easily meet any American competition which may develop, The Financial Post is informed. Silk prices in Canada compare favorably with prices in the United States because of the intense competition which exists in the Canadian market, according to a representative of the industry.

Chemical Firms

Because of the wide variety of products handled by most chemical firms, they themselves are puzzled over the possible consequences of tariff changes. **Standard Chemicals** is an important exporter of acetic acid and may gain from reduction of the U.S. duty on it. It may lose ground from reductions in some Canadian duties.

American Cyanimid may benefit from lower Canadian tariffs on synthetic fertilizers. If so, **Consolidated Mining & Smelting Co.** may lose in this department; which, however, would not seriously affect its larger sources of income. **Dominion Tar & Chemical** does not seem greatly concerned by the trade agreement. **Shawinigan Chemicals Ltd., subsidiary of Shawinigan Water & Power,** appears to be one of the chief beneficiaries of the lowering of U.S. duties on chemicals.

Expectations are that the fertilizer division of **Canadian Industries Ltd.** will be affected by the trade agreement with the United States. The treaty provides for reduction in the duty of from 10 to 7½ per cent on fertilizers, compounded or manufactured. At present imports of fertilizers into Canada are substantial and the reduction of 25 per cent in the amount of duty paid should react to the detriment of the firms manufacturing fertilizers in Canada.

Newsprint Manufacturers

Re-affirmation of existing tariff policy on newsprint imports by the United States is reassuring to Canadian manufacturers who have been somewhat uneasy since the campaign started in the United States for the placing of a duty on newsprint. American paper manufacturers and other interests have been strongly advocating a duty on newsprint brought into the U.S.A. Publishing interests, in the main, are not in favor of this move, but in view of the intense lobbying at Washington, it was feared that the advocates of a duty might influence the government. Any change in the American tariff policy on newsprint imports would have been a serious blow to Canadian manufacturers. The United States is by far the largest market for Canadian newsprint and during the past year about $70 millions of newsprint was shipped to the United States.

Fine Paper Firms

Fine paper manufacturers, such as **Howard Smith Paper Mills** and **Provincial Paper,** are not yet in a position to state just how the Canada-U.S. trade agreement will affect their operations. The published particulars of the agreement are too general to allow officials of the companies concerned to give an opinion. Concessions to the United States cover practically all the products of the companies. In the case of magazine and paper stock, the reduction is equivalent to 10 per cent in the duty, which would not make any material difference in the competitive position of the fine paper manufacturers.

Chain Food Stores

Grocery and confectionery merchandising chains are not greatly concerned over the trade agreement. Grocery chains like **Loblaw Groceterias** and **Dominion Stores** expect to use whatever advantage there is in the tariff changes in their merchandising. If the trade agreement is effective in stimulating business in general the grocery chains expect to share in the benefits.

Laura Secord Candy Shops also feel little immediate effect. There may be some minor reductions of costs due to lower duties on United States nutmeats and similar items. This is beneficial to a firm like Laura Secord that sells at one price.

Biltmore Hats

Reduction of five per cent in the duty on felt hats will have little or no effect on the company's operations, The Financial Post is informed. Hats imported from the United States are principally in the high-priced group, with which the company's products do not compete.

Ford of Canada

Wallace R. Campbell, president of the company, after studying the terms of the trade agreement, urged the Canadian government to give the motor industry relief from the "dangerous situation that confronts it as a result, not only of the treaty, but of the inconsistencies in the tariff structure which have been pyramiding over the last 10 years." He added:

"Our protection has been reduced approximately one-fifth. The treaty enables us to reduce our cost of production by only a small fraction of this. As our earnings on the manufacture of cars have been negligible despite substantial volume, it is obvious that something must be done to repair this condition.

"Prior to enactment of the treaty we had placed in the hands of the government certain proposals which, if adopted, would enable us to pass on this reduction in tariff to the consumer without serious injury to ourselves and without penalty to Canadian labor.

"Unfortunately, unlike budget tariff changes, which are immediately effective, the treaty does not become effective until Jan. 1, 1936. The effect of this is to nullify the tremendous effort made by the entire industry in bringing out 1936 models by the first of November for the purpose of spreading employment."

The company has reduced its prices following the trade agreement. Dividend hopes have been dampened somewhat. Mr. Campbell clearly indicates that this year's profits on Canadian business have not been substantial, bearing out The Financial Post's reports. Higher proportionate costs may hold down profit per car next year, unless very higher volume develops or unless production is less expensive than is expected.

Rogers-Majestic

Officials of Rogers-Majestic Corp. Ltd. are not concerned over tariff changes affecting importation of United States radio sets into Canada, according to D. G. MacKenzie, vice-president and general manager.

Instead, they point to the fact that sets made in the United States are constructed almost universally for 60 cycle current, unsuitable, if not impossible for operation with Ontario's 25 cycle current. Such sets, Mr. MacKenzie states, are of cheaper construction than the 25 cycle sets made here and do not meet the higher standard of electrical and fire underwriting requirements to which Canadian sets are adapted. Sixty cycle current, however, is in use in almost all parts of Canada outside Ontario.

General Steel Wares

The agreement has direct effects on a number of items in the company's widely diversified line of metal products. Enamelware and domestic cooking ranges will probably get keener competition at somewhat lower prices. On the other hand, benefits to rural areas from the trade agreement may enable the company to expand sales. Precise effects are not yet measurable. Meanwhile, the company is covering its bond interest comfortably.

Canadian Canners

Reductions in tariffs on canned fruits and vegetables imported into Canada from the United States are not sufficiently large to affect operations or earnings of Canadian Canners Ltd.

Many canned goods, notably tomatoes, are sold in the United States at prices far above the corresponding Canadian quotations with the result that they do not compete, as imports, with the domestic article here. Tomatoes are cited as recently quoted at 70 to 80 cents a dozen cans, in Canada, against a price around $1.30 in the United States. While the existing variant in Canadian and United States prices continues, no serious competition is expected from across the border.

Canadian Canners, unaffected by the tariff, will show improved operating results this year, it is understood, with a further strengthening of the financial position. Inventory position has improved considerably in common with other units of the Canadian canning industry.

Canada Packers

Prepared meats are unlikely to come into Canada from the United States in any competitive quantity, because of high U.S. prices. Canada Packers could expect to benefit from firm or rising prices for meats in Canada which are expected to result from increased exports of cattle. There is nothing in the agreement to interfere with substantial earnings on the common stock.

Burns & Co.

Effects of the trade agreement are expected to be indirect. Strength of meat prices arising from higher cattle exports should help Burns & Co. to maintain earnings which are now substantial on its income as well as on fixed-interest bonds.

Beatty Bros.

Increased competition for Beatty Bros., probably at somewhat lower prices, is expected to result from the trade agreement. The company produces a widely diversified line of farm equipment and electrical appliances on which duties have been halved in many instances.

It is believed that prices of many lines sold by the company have compared favorably with United States goods. Hence, the cut in the tariff may only be reflected in part in prices of Beatty Bros'. wares. The company's ability to maintain preferred dividends and working capital through the grave agricultural depression indicates ability to earn profits despite tariff reductions. If agricultural buying power rises, whether or not due to trade agreements, benefits to Beatty Bros. in the form of increased domestic sales may offset tariff changes.

Kelvinator of Canada

Reduction of the duty on refrigerators cannot be expected to help this firm, unless lower prices bring sharply increased sales. Since the dividend on its preferred stock is guaranteed by the parent firm, Kelvinator Corp., Detroit, the Canadian investor is protected.

Simpsons Ltd.

Executives expect company will profit from greater freedom of trade. They claim past experience shows that greater freedom to import increases secondary manufacturing in Canada as well. They state that tariff is still very restrictive in items which the general public demands and agreement is chiefly promising because it is expected that the principles enunciated in it of giving the United States the intermediate rates will be applied to next budget at Ottawa.

Canada Wire & Cable

The trade agreement doesn't look seriously adverse to Canada Wire, at a cursory survey. While U.S. firms get a 99 per cent drawback on exports, Canada Wire is expected to find no great problems arising from the agreement. The company's earnings are up and will probably be maintained if general recovery continues.

Humberstone Shoe

Reduction of tariffs on footwear are considered unfavorable to this firm. Rising volume, however, has enabled it to profit throughout the depression. While the trade agreement is not directly helpful, it may not be a serious reverse.

Acme Glove Works

Reduction of the duty on gloves and mitts of all kinds is of larger proportions than many other tariff changes. The company suffers some lesser reverses in various tariff changes on goods competing with its heavy footwear and clothing products. It should benefit indirectly, however, from any increase in activity in lumbering.

Frost Steel & Wire

Improvement in the company's earnings, resulting partly from higher rural purchasing power, has allowed resumption of preferred dividends. While the agreement reduces tariffs on competitive lines, any stimulus to farm purchasing power would tend to benefit the company eventually.

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TIMBER TRADE NOW HOPEFUL OF U. S. MART

But B. C. Shingle Industry May Suffer From Trade Agreement

From Our Own Correspondent

VANCOUVER. — New markets created in the United States for Canadian lumber by the new trade agreement should be worth approximately two and a half million dollars a year, it is estimated here.

The total American quota of 250 million feet will be worth about $3.2 millions at an average price of $13 a thousand feet. But British Columbia mills were shipping about 75 million feet a year to the American market in spite of high tariff, so the increase under the new agreement represents only 175 million feet.

Competition to be Keen

Just when the lumber industry will begin to feel the effect of this new business it is difficult to say. Leading exporters such as H. R. Macmillan point out that even with the tariff bars down to some extent, the United States market will continue to be keenly competitive, especially inasmuch as sawmills in northwestern states, the chief producing area, have lost most of their export trade and have been concentrating on the domestic field. Building has also declined in the great American market since the days when British Columbia used to sell upwards of 500 million feet annually there.

However, the general feeling is that lower costs will enable B. C. mills to take most of their quota before the end of next year and that this business will bring about employment of about 2,000 additional men in sawmill and logging camps. Twenty-three thousand are already employed.

Shingle Industry Hit

The shingle industry here will suffer from the new agreement. The quota has been reduced to 25 per cent of the American Domestic consumption, and since abolition of N.R.A., under which B. C. industry operated voluntarily in agreement with American mills, the mills here have been supplying between 35 and 40 per cent of the American demand. This reduction will be a serious blow, as United States normally absorbs over 80 per cent of B. C. output.

Executives of coast fish packing companies did not expect much benefit from the agreement. The bulk of halibut caught off the west coast is sold to United Kingdom or in Canada.

Maritimes Affected Most

The treaty will affect the Maritimes most. In spring and fall, when the big movement of American-caught halibut is going to the United States from Canadian ports and Canadian fish are taken in small quantities to fill out trainload or carload lots, the Canadians will get another cent a pound for these shipments. But it is unlikely that tonnage to the United States will be substantially increased. Nevertheless, based on last year's figures, the new tariff should represent a gain for B. C. of more than $100,000.

The whaling industry will benefit by reduction in sperm oil duty by 50 per cent.

CAN. DISTILLERS SEE $82 MILLIONS WHISKY EXPORT

Four Firms May Ship Most of 30,000,000 Gallons to U. S.

Canada's surplus whisky, aged in wood since 1931 or earlier, will now have a market. That is what distillers expect as a result of the U. S.-Canadian agreement dropping U. S. customs duty from $5 to $2.50 a gallon on such whisky.

Of the 45 million gallons of whisky stored in Canada, distillers estimate that 30 million gallons will be available for export to the United States. Because it can now be sold at prices lower by $1 a bottle to the consumer, it is thought that U. S. consumption will become more rapid.

It is hoped that Canadian companies will be able to get a net of $2.75 a gallon for their whisky. That would appear to give the total available for export a valuation of about $82 millions.

Three Companies Benefit Most

Of the 30 million gallons available for export it is understood that Hiram Walker-Gooderham & Worts holds eight million gallons which are intended for the United States, Canadian Industrial Alcohol nearly seven million gallons and Distillers Corp.-Seagrams over five million gallons, or from 20 to 21 million gallons for these three companies alone. Probably nine million gallons are available for export by other companies. Brewers & Distillers of Vancouver had 3.5 million gallons to export in 1934 and still has a major part of this it is believed. B. C. Distilleries, Melcher's and others have smaller amounts.

Blends now being sold in the United States consist often of one-third Canadian whisky and two-thirds United States whisky. The present optimism is based on the thought that consumers will be willing to pay 50 cents a bottle more to get the straight whisky.

Hiram Walker - G. & W.

H. C. Hatch, chairman of the board, expects that the drop in U. S. duty on whisky aged in the wood four years or more will move Canadian bonded whiskies across the line much more rapidly than has been the case in the last two years.

Sales of whiskies manufactured at Peoria are continuing to show "a gradual and progressive increase," but the Canadian whisky sales will be very useful in strengthening working capital. Some time ago it was intimated that these Canadian inventories will not be replaced as Peoria distillery will be providing whiskies four years old by the time the Canadian stocks are exhausted. There are 12 million gallons suited for export to the U. S. but only eight million gallons have so far been ticketed for that trade. Revenue of some $22 millions may gradually ensue.

Distillers - Seagrams

In the statement for the year ended July 31, 1935, Distillers Corp.-Seagrams showed 29 million U. S. gallons of whiskies and spirits on hand. It was carried at 51 cents a gallon and is believed to be worth $2.50 a gallon and more.

Besides the equity of the gallonage held in the United States the company will benefit considerably from export of Canadian holdings of aged whisky, of possibly five million gallons. The company earned 66 cents a share in the year ended July 31, 1934, $5.05 a share in the next year and the new situation makes possible a further increase of importance. Sales of $14 millions of aged Canadian spirits may accrue to the company from the U. S. trade agreement.

Can. Industrial Alcohol

This company had seven million gallons of American type whisky in September and half of this was contracted to be sold to United States companies. Three million gallons will be sold to Schenley up to January, 1938. But Schenley has the option to increase the amount and may do so. The main help to Canadian Industrial Alcohol is that the agreement brings the "hope" of selling its inventories something closer to "assurance."

Brewers & Distillers

Value of the company's shares has gone up to $1.50 each as the prospect of selling surplus whiskies in the United States improves. This company in 1934 had 3.5 million gallons for sale and a large part of it is still available. The prospect of a market leads to hopes of profitable sales totalling nearly $9 millions.

Canadian Investment Fund Asset Values at New High

From Our Own Correspondent

MONTREAL.—Asset value of Canadian Investment Fund shares on October 21 last was at its all-time high to that date, according to a statement issued to the shareholders by Calvin Bullock, president. During the quarter ending October 15, the asset value of the company's shares increased 4.96 per cent, a gain greater than that of the Montreal Stock Exchange Index of 30 combined common stocks.

As at October 21, the investment portfolio of Canadian Investment Fund showed the following distribution of assets: Bonds, 1.41 per cent; preferred stock, 4.50 per cent, and common stocks 94.09 per cent.

Three-Quarter Billion of Trade Affected by U. S. A. Pact

(Continued from page 11)

figure to cover automobile engines also given intermediate tariff status. The probability is that completion of the present tariff board enquiry at Ottawa will see the whole basis on which the industry operates, revamped. This would be quite possible within the provisions of the treaty affecting intermediate rates.

* * *

Raw Cotton

On raw cotton the United States merely confirms for three years the existing arrangement whereby this commodity comes in free of duty. Trade valued at $29 millions in 1928-29 was shown at $17 millions last year.

* * *

Textiles and Clothing

By dropping from the general to the intermediate tariff the United States gains benefits of from 2½ to 5 per cent on a wide range of goods embracing practically all kinds of cotton, silk, wool, artificial silk fabrics and clothing. Hats, gloves, stockings, raincoats, knitted wear and linens are also included. Trade of $25 millions with the United States five years ago was placed at $5.6 millions this year.

* * *

Furniture

Canadian manufacturers who share the depleted market for this commodity will find United States products now entering at 30 per cent (less 10 per cent) since United States now obtains most favored nation treatment. The former tariff was 45 per cent. Imports from United States five years ago of $3.5 millions are now less than half a million.

* * *

Musical Instruments

All kinds of musical instruments now enter at intermediate rates ranging from 22½ to 27½ per cent compared with rates of 2½ to 5 per cent more prior to the treaty. Some musical instruments are also specifically mentioned in the treaty schedule itself.

* * *

Jewellery

Jewellery of all kinds now enters from the United States at 37½ per cent compared with 45 per cent under the general tariff which formerly applied.

* * *

Clocks, Watches

Clocks, watches, time recorders, clock movements, cases, mechanisms and so forth now enjoy intermediate treatment of 30 per cent against a 35 per cent general tariff as formerly. Trade last year at $400,000 was a third of the total five years ago.

* * *

Hides, Furs

Raw hides, skins and pelts, and fur skins of all kinds now enter free of duty. This treatment is assured for the three-year period of the treaty.

Sound as the Rock of Gibraltar

The Four Corner-Stone Policy of Canada's Chartered Banks

Protection of Noteholders—Safeguarding the Deposits of the Citizens—Mobilizing Savings for the Encouragement of Agriculture and Industry—Assisting in the Development of External Trade.

CREDIT HAS NOT BEEN RESTRICTED

The Presidential Address of Mr. Jackson Dodds, Delivered at the Annual Meeting of the Canadian Bankers' Association:

It is usual for the president in his annual address to discuss the problems of the country, and of business generally during the elapsed year. On this occasion I intend to depart from established custom and confine my remarks to the problems of the banks and their own business in particular. At the outset may I be permitted to express our appreciation of the loyalty of our customers during the past six difficult years. Had it not been for their unswerving confidence in the banks, their continued willingness to entrust their savings to us, their determination to turn a deaf ear to undeserved criticisms and their opposition to immature and unwise economic proposals, the banks might have been seriously crippled and would now in consequence be hampering instead of helping Canada along the road to recovery.

Bankers have maintained traditional silence long enough—too long, say some who have repeatedly urged us to reply to the adverse criticisms which have been current. Unwilling to be accused of "playing politics," we have curbed our impulses to tell what we have done on behalf of our customers.

As many newspaper editorials and letters in the press indicate, Canadians are realizing the unfairness of these attacks. This growing revulsion of feeling assures me that an effort to answer some of the critics of the policies which the banks have adopted for the protection of the public will be welcome.

Let me give a bird's-eye picture of the institutions in which depositors have chosen to place their savings. Ten banks operate some 2,924 branches and 608 sub-agencies in Canada, while abroad there are 147 branches and two sub-agencies to facilitate Canadian trade. Bank staffs comprise over 25,000 persons, of whom the executive officers, managers and many others are experienced professional bankers, carefully trained with a view to safeguarding the $2,554 millions of funds of 4,700,000 depositors, and loaning them to some 400,000 reliable borrowing customers, or investing them in the soundest of securities.

The activities of this army of employees, including the senior managerial officers, are constantly under the supervision of some 163 directors—able, sound, successful men of affairs, chosen from and by over 49,500 registered shareholders whose average holdings are but 29 shares. The true average is much smaller, because trust companies and many executors and trustees of estates each represent a number of participants. These shareholders comprise men and women from every walk of life, whose investment, including premiums paid over the par value of their stock, and profits deliberately left in the banks over many years to strengthen the institutions, amounts to nearly ten per cent of the banks' total assets of $3,036 millions, a substantial contribution of capital. Needless to state, these thousands of shareholders are not concentrated in the financial centres of Canada, but are scattered throughout the country.

Have Passed Acid Test

Thrice in the past six years have the banks been put to the acid test—the stock market crash of 1929, the abandonment of gold by Great Britain in 1931, the bank holiday in the United States in 1933. From all these they emerged with public confidence in them unshaken. The proven soundness of the banks under this triple onslaught was of incalculable value to Canada and to all Canadians during those days of stress and strain. The maintenance of the credit of Canada, its provinces, institutions and people during the past six unprecedented years has been aided in large measure by the strength and co-operation of the banks. A recent newspaper editorial, in opposing certain proposals to distribute other people's money and credit indiscriminately, bore this heading: "Shall we blow up our rock of Gibraltar?" Canadian bankers are grateful for such tributes, and with public endorsement of their policies as encouragement they will continue to "hold the fort."

In 1933 the Canadian banks came under the keen, critical eye of an eminent British banker, Sir Charles Addis, who, with the other members of the Royal Commission on Banking and Currency in Canada, under the chairmanship of Lord Macmillan, was charged with examining the provisions of the Bank Act and the functions and operations of the banking system. After traversing Canada from coast to coast, and taking some 3,500 pages of evidence comprising suggestions for improving the system and some complaints of its operation, the banks were called upon to reply. At the close of the final hearing Sir Charles Addis said:

> "I am proud of my profession. You have been subjected to a searching questionnaire and you have given us a straight reply. You have refuted many ill-informed and, I may add, in some cases, malicious charges which have been levelled at the banks. You have done so with a dignity, with a moderation, and with a frank sincerity which compel conviction. I believe that your document will stand as an historical defence of the Canadian banking system. If this Commission should do nothing more than to elicit this response it would not, in my judgment, altogether have failed in the task allotted to it.
>
> "We are now past the controversial stage. I have no questions to ask, or at least none which can be considered argumentative. The need for that has gone. Your papers have revealed to us a common aim. We have a common objective—the welfare of the people of Canada."

RETIRING PRESIDENT

JACKSON DODDS, O.B.E.
General Manager of the Bank of Montreal, who delivered the presidential address at annual meeting of the Canadian Bankers' Association.

Revision of Bank Act

Under our Canadian system the charters of the banks have been renewed for periods of ten years only, at the end of which the banks are required to appear before the Banking and Commerce Committee of the House of Commons at Ottawa to discuss any proposed changes in the Bank Act, as a condition precedent to the further extension of their charters. Last year I expressed the view that bank charters might well be made permanent as in Great Britain, France and the United States, subject, however, to review of the Bank Act by Parliament at the end of each ten years, to enable such amendments to be made as experience and new conditions might appear to require. It must not be overlooked that if political exigencies were to prevent the statutory extension of bank charters, the country might be thrown into a state of financial chaos. There is no good reason why this risk should not be removed.

From March to the end of June, 1934, the Banking and Commerce Committee of the House of Commons conducted further investigations of many phases of banking in Canada. The general managers of the banks attended week after week and gave evidence when required, covering 350 pages of the 1,000 pages of the record of proceedings of that committee. They leave it to the fair-minded people of Canada whether or not they answered satisfactorily the many and searching questions asked.

Corner-stones of Policy

The banks of Canada have laid four corner-stones of policy upon which the whole edifice of commercial banking rests.

First—The holders of their notes must be adequately protected. Bank notes are therefore a first charge on all banking assets. Note holders may also rely upon the circulation redemption fund lodged with the Minister of Finance, which must be maintained under any and all circumstances, at 5 per cent of the note circulation of the commercial banks.

Second—The banks must safeguard the $2,554 millions belonging to their depositors. Although the banks' legal relationship to depositors is not that of trustee, but of debtor, the banks yield place to none in their deep sense of responsibility in this respect.

Public confidence in the Canadian banks withstood a severe test when all banks in the United States were closed during the "banking holiday" of March, 1933. Current and savings deposits in Canada remained undisturbed. This bears testimony not only to the stability of the banks but to the steadfastness of the people of the country.

Third—The mobilized savings of the thrifty enable the banks to support and encourage production of all kinds, industry, manufacture and trade, by making sound advances to agriculturists and other producers, manufacturers, and business men of Canada; in addition loans are made to federal, provincial and municipal governments pending collection of taxes or the sale of bonds and debentures.

The maintenance of 3,532 branches and sub-agencies in Canada affords cogent evidence of the desire and ability of the banks to provide complete banking facilities in all parts of the country. Branches have been established in pioneer communities to help in the development of the country; where anticipated growth does not take place, operating losses necessitate discontinuance after a fair trial, as a matter of ordinary business procedure.

The total amount of all debit entries passed to individual accounts of all branches in Canada in the month of January last was $3.014 millions, about 50 per cent greater than all bank deposits in Canada, which gives some conception of the turnover and volume of transactions passing through the banks in Canada.

Fourth—The banks assist in the development of the external trade of Canada. Close reciprocal arrangements with correspondent banks throughout the world, and in addition the maintenance of 149 branches and agencies in Great Britain and elsewhere in Europe, the West Indies, the United States of America, and in Central and South America, demonstrate that this corner-stone of policy is an integral part of the banking system.

The foundation on which the banking structure rests is the substantial investment of the shareholders who furnished the capital which enabled the banks to be established. This shareholders' investment of $284.9 millions (at the time of the last annual statements) consisted of paid-up capital reserve funds and undivided profits. In 1933, according to the report of the Royal Commission on Banking and Currency in Canada, 42 per cent of these reserves was derived from cash premiums paid by shareholders on capital stock issues, and 34 per cent consisted of profits to which the shareholders were entitled over the course of a century and more, but which were left in the banks as a source of additional strength. The remaining 24 per cent of these reserves came with the assets of amalgamated banks, representing what their shareholders had contributed or allowed to accumulate.

Bank shareholders receive by way of dividends at current rates but 4.2 per cent on their total investment; an amount which, it will be agreed, is moderate in view of the double liability to which they are subject. Thinking people know what happens when a bank ceases to pay dividends, however small—erstwhile railers at banking profits are at the head of the line of depositors demanding their money.

Nationalization Fatal

Perhaps the most insidious of the monetary nostrums recently proposed is the suggestion to nationalize the banks. This scheme is largely based upon the specious theory that the money deposited in the banks is public credit, created by the community at large, on which the shiftless, as well as the thrifty, should be entitled to draw at will. That is the veriest nonsense. Every sane-minded person realizes that the credit dispensed by the banks is based upon the capital supplied by shareholders, their restricted note issues and their depositors' funds. Members of a community have no right to bank credit merely because they are members of that community. There can be no inherent right to bank credit, for the banks, necessarily responsible to their own creditors, can lend only where they consider repayment is well assured; they must refuse to lend in all other cases. The real purpose behind the demand for nationalization of the banks is to get control of the millions placed in the banks of Canada. But the four and a half million depositors will have strong views on that subject.

I need not go fully into the dangers of political management of banking. The dispensation of loans upon the basis of political service rendered, a modus operandi which would be unavoidable, savors too much of the "pork barrel." Who ever heard of anything being put back into the barrel? Under such control depositors could have no assurance that their savings would be safeguarded. Indeed, it is a question if there would be any depositors.

Is it any wonder that Lord Snowden (Socialist ex-chancellor of the exchequer) said, in regard to a similar proposal made in England:

> "If the banks were nationalized they would have to be managed as they are now if their solvency is to be maintained."

This would be impossible under political domination.

The recent declaration against bank nationalization by the American Federation of Labor is also significant.

Banks Do Not Create Credit

The noxious theory of nationalization of banking is linked with the equally harmful one that banks create credit by the mere stroke of a pen. The irrebuttable answer to all this is that the banks pay to savings depositors annually millions of dollars in interest in order to attract the wherewithal to make loans. If they could create credit out of nothing, what enormous dividends they could pay in comparison with their present modest dividends! What endless work they could save by telling their depositors to take their savings elsewhere! Then there would be nothing to do but lend, to all and sundry, credits represented by strokes of the pen, and to divide fat profits among their shareholders—a Utopian absurdity! Despite the misapplication of quotations from various authorities, including the Macmillan Report (British), so frequently quoted by credit creationists, I remain opposed to the idea that a commercial bank can create credit out of thin air. I am not alone in these views. The Economist of London, the leading financial weekly in the English-speaking world, in an article in the Banking Supplement of May 18, 1935, which was quoted to some extent in Canadian publications, carefully examined and discarded this theory. After explaining how a borrower contracts a debt to a bank in exchange for that bank's debt to him of the proceeds of the loan, The Economist proceeds:

> "... what has happened is that the bank has mobilized wealth. It has acquired or takes a lien on, a form of wealth which was not liquid and immediately spendable (the borrower's security) and given in exchange its own obligation in the form of a deposit, which is spendable. The bank has not 'created' deposits; at the most, it has converted illiquid wealth into liquid deposits. The banks can therefore be acquitted of the charge of creating their deposits out of thin air. ..."

The Socialist Standard, the official organ of the Socialist party of Great Britain, in its April, 1935, issue, quotes with approval, in a leading article, a statement by H. J. Welch, author of "Money, Foreign Trade and Exchange," that

> "...both loans and investments by banks can only be provided and made out of monies deposited by the public and therefore out of assets representing such deposits."

The writer of the article adds:

> "In other words, he puts forward the same view as has been consistently maintained in these pages."

Further on it is stated:

> "If the credit creationists are right, it is, from the scientific point of view, immaterial whether their theories are politically dangerous for certain existing interests. We maintain that they are wrong and that therefore the workers ought not to waste their time with schemes for nationalizing the banks."

Later on the article mentions The Times report of a speech of mine in London in June, 1934 (for referring to which I trust the unusual circumstances will excuse me) and states:

> "Mr. Jackson Dodds's correct description of the relationship between deposits and loans indicates his own opposition to the credit creationist illusion."

Credit Not Restricted

The criticism repeated most often is that the banks have restricted credit during the depression to the extent of some $500 millions, and that in investing their depositors' funds in Government securities they have improperly withheld the money from business and industry. Let us first rid ourselves of any idea that 1929 is a fair basis of comparison. Apart from call loans (which fluctuate with stock markets), current loans in Canada averaged $1,062 millions during 1923-27, a period of five fairly normal years. The average loans for the five years 1930-34 were $1,186 millions, over $100 millions higher than during 1923-27. That is not credit restriction. From a low of $940 millions in January, 1926, these current loans steadily rose to $1,588 millions in October, 1929, an increase of $648 millions in 45 months. The decline from that high point has been much more gradual than the rise, for loans did not recede to $940 millions until July of this year, some 69 months later! Although bank loans are necessarily made for short terms only, it is clear that the banks permitted borrowers to repay these excess loans slowly during a period of 5¾ years, over 50 per cent longer than the time of their expansion. As we shall see later, the banks' purchases of securities, instead of representing money improperly withheld from business and industry, largely counteracted this drop in loan volume.

The fact of the matter is that business men, faced with falling prices, reduced their inventories to the minimum, and applied the proceeds to repayment of their bank loans. Moreover, the reduced market prices of wheat, lumber and many other commodities since 1929 have enabled Canadian production to finance itself on much smaller bank loans. The fall of 30 per cent in wholesale prices affords a further clear illustration of this. In England and other countries the lack of growth of bank loans, despite evidences of recovery and increased production, is due to the fact that borrowing in this, as in previous depressions, has lagged far behind recovery. As confidence is restored and opportunities for profitable employment of money are found, prospective borrowers naturally use their own accumulated funds first, hence the time lag in the growth of bank loans.

The banks have been blamed for their large purchases of Government securities, but the critics fail to realize that every bond purchased meant a corresponding credit to the issuing Government or to the seller from whom it was acquired. Between the end of 1929 and the close of September last the banks increased their investment portfolios from $448 millions to $1,103 millions, placing some $655 millions at the complete disposal of the vendors of those securities. The only alternative for the banks would have been to hold the cash in their vaults. This increase in security holdings was actually greater than the decrease in loans of which complaint has been made.

Sound Borrowers Sought

No Canadian bank, whilst paying 2 per cent interest on savings deposits, would turn down or refuse good commercial or other loans bearing up to 7 per cent in order to hold excess cash yielding nothing, or to put the money into Government securities such as treasury bills and other short term obligations yielding from, say, 1.30 per cent to 2 per cent, or long term bonds yielding about 3 per cent. The banks, in addition to savings interest, must pay operating costs, taxes, etc., at several thousand branches and cannot afford to become investment trusts. They can only derive profits from commercial and other business and their abnormal investments in securities at the present low yields afford clear evidence that good loans are not offering in substantial volume.

Another factor is that at present many customers, who would normally be borrowing from the banks, have on hand surplus funds which they are unable, under existing conditions, to utilize in their businesses, but which they wish to keep readily available. They therefore deposit them with their banks, in preference to investing in securities at the present low yields. While the banks are competing strenuously for good loans, they cannot scatter advances among all who want money, without regard to merit and prospect of repayment. They must refuse to be stampeded into granting credit to persons who, for various reasons, are not credit-worthy.

There are centuries of recorded banking history, practice and experience from which to draw, and danger signals are recognized at once by practical bankers. When harrowing tales are told of loans having been denied there is always another side of the story. Public accusations of credit restriction by the banks are usually made in general terms. When specific cases are demanded, particulars are generally withheld under one pretext or another. When details are revealed investigation is gladly made, both in the bank's own interest and in the interest of its customer. Despite the care taken by the banks in the training and selection of managers, and the encouragement, advice and assistance given to build up their loaning business on which profits depend, an occasional opportunity to make a safe loan might be lost by an inexperienced or lethargic manager. Head offices keep a sharp lookout to avoid any such loss of business, knowing that credit-worthy borrowers, if they cannot obtain advances at one bank, promptly apply to another.

Complaints that banks withhold credit unreasonably are not confined to any one country. Pursuant to a recommendation of the British Macmillan Commission for the establishment of an institution in England for making loans to industry of a type not usually suitable for commercial banks, a company named "The Credit for Industry Limited" was formed about two years ago. The total loans of this company at 30th June, 1935, amounted to only £210,000. The chairman, in a recent statement to the London Morning Post, said:

> "At the moment I am convinced that there is not a single deserving business in the country which is denied legitimate and justifiable financial assistance. Many thousands of individual cases have been reviewed by me personally, and from what I have seen and from what I know, I believe that statement correctly represents the situation...I know from experience how small a percentage of the applications merits serious consideration...My own personal view, and here I am expressing merely my own opinion, is that there are far too many people, employers and workers alike, who want to be spoon-fed. A little more self-reliance would do us no end of good."

The whole question concerning the decrease in bank loans is answered by this: No one wants to borrow money from us merely because we want to lend; credit-worthy customers borrow only when the funds can be used at a profit. Confidence in opportunity to make profitable use of borrowed money is a prerequisite to an increase in bank loans.

Note Circulation

It has been asserted that the banks are responsible for a decrease of $100,000,000 in the note circulation since 1929. A glance at the facts will reveal the error of this statement. The mere comparison of the total issues of Dominion and Bank of Canada notes will not tell the story, for the bulk of these has been held by the banks and only a small amount by the public. The total in the hands of the public of commercial bank notes, Dominion notes and Bank of Canada notes, excluding notes held by the banks, is the only basis for exact comparison of note circulation.

In January, 1929, the total notes of all kinds circulating among the public amounted to $173,000,000; in September last the figure was $174,000,000! The largest circulation in 1929 was $205,000,000. The maximum fluctuation in that year was $32,000,000, in other years it has been more or less, for the elasticity of Canadian note circulation is such that it expands and contracts readily and precisely in accordance with the requirements of trade and economic activity.

It is clear that there has been no substantial drop in note circulation. Even if there were, the banks would not be responsible for it, for it is to their interest to maintain their note circulation at the maximum. As stated in the Macmillan Report (Canadian) it was then estimated that banks made a net profit of 1.60 per cent on average circulation; the rate would be lower to-day, but it still affords a sufficient incentive to maintain the largest possible note distribution within the present statutory limit, namely, the amount of a bank's paid-up capital.

Inflation is Dangerous

The claim of reduced note circulation was evidently introduced as the basis for a proposal to inflate the paper note issues of Canada. This the banks resolutely oppose, although it might well be argued that they would gain by it. They could repay deposits in depreciated currency; increased prices of securities and goods pledged against loans now insufficiently margined would enable such borrowers to repay their loans. But in the end—and there is always an end to inflation—there would be a day of reckoning when the banks and everyone else would be involved in loss.

Inflation increases living costs, and higher prices always precede increased wages and salaries. All those whose incomes are relatively low suffer first and longest. Their savings are soon spent. Buying power derived from the income received from securities, mortgages, etc., diminishes, with consequent suffering to all persons dependent upon fixed incomes. Privation becomes universal. It is significant that those countries which experienced the worst suffering from post-war currency inflation are now making a valiant fight to maintain a gold standard.

Banking Profits

It is frequently alleged that the banks make a clear profit of the difference between their lending rates and the rate of interest paid to depositors. Two per cent from seven per cent, it is said, leaves a neat profit of five per cent. But it is not as simple as all that, as perusal of the monthly statements of the banks to the Government will show. At present (30th September, 1935), some 8 per cent of public liabilities is maintained as cash reserves or deposits with the Bank of Canada. None of this earns any interest. Other items of a cash nature amounting to a little over 10 per cent of such liabilities also earn no interest.

Close to 21 per cent of public liabilities is represented by other quick assets or liquid reserves, about three-quarters of which is comprised of Government treasury bills and bonds maturing in less than two years, the average yield, at present market price, being below 2 per cent. The remaining one-quarter, represented by call loans in Canada and reserves necessarily kept abroad, yields at present an average of about 3 per cent. A further 24 per cent is invested in Government, municipal and other sound securities, yielding, at present market prices, in the neighborhood of 3 per cent. About 40 per cent of public liabilities is represented by loans to governments, municipalities, commerce, industry, production and agriculture, at rates which naturally vary according to the quality of the advance.

From the foregoing, it will be clear that after paying the savings depositors 2 per cent interest, and meeting the entire expenses of operation, including the costs of many gratuitous services, and the ever-increasing burden of federal, provincial and municipal taxation, and after making provision for bad debts, there remains out of gross earnings but a scant surplus from which dividends to shareholders can be paid. It will be realized from these figures that the banks, like business generally, are feeling the pinch of reduced earnings, and it will undoubtedly be necessary in future to make charges for many services which in the past have been given free or for less than cost.

The present campaign by governments, municipalities, and, indeed, by almost all borrowers for lower and lower interest rates has had drastic effects upon the income of all who derive their revenues from loans and securities. Clearly there is a point below which such interest rates should not be allowed to go. A cut of 1 per cent in the rate of interest on the $1,040 millions of current bank loans in Canada would reduce bank gross earnings by over $10 millions and would entail a further reduction in interest paid to over 4½ million depositors, if present modest dividends are to be maintained. If dividends disappear the banks would speedily lose the public confidence so essential to their existence and the financial strength of Canada would be seriously impaired.

Banks Have Done Part

Perhaps I have spoken over-long, but I desired to touch upon some of the more important misapprehensions concerning banking. I have not attempted to cover the whole subject by any means, but have endeavored at least to indicate that there is another side to the story which the public would like to hear.

I do not wish, however, to leave the impression that banks are always in the right and are run by super-men who never make a mistake. Bank employees are human, and with 25,000 of them engaged in carrying on the operations of the banks in Canada, errors are inevitable notwithstanding intensive training and every safeguard thus far conceived. It is axiomatic that banks prosper only when their customers prosper, so that our wishes for the return of better times to business are not entirely unselfish. Prosperity cannot be brought back merely by wishing, and the banks, well knowing this, have done their part, in the face of criticism of their sound policies, to ensure Canada emerging from the depression with her financial institutions still sound and fully competent to assist production, industry and commerce to take advantage of the good times when they come, as come they will. The banks are not alone in having kept their house in order; the wheels of industry and production are beginning to move less slowly; but there is still a degree of inertia to be overcome. There are many people who feel that governments should legislate prosperity into being, others advance equally fantastic proposals of their own invention, whilst still others applaud destructive criticism of anything savoring of success and decry constructive attempts to revive confidence, which has been sadly battered by these onslaughts.

May I conclude by saying that this is a time when dreaming and clod-throwing should cease and all red-blooded Canadians should put their shoulders to the wheel. Only thus did the pioneers overcome obstacles and create the Canada in which we live, and only thus can we prove ourselves worthy of our heritage.

Cawthra Apts. to Pay Interest Due Dec. 1

With affairs of the company showing improvement, Cawthra Apartments Ltd. will make the regular semi-annual interest payment due on December 1 on the six per cent first mortgage bonds.

In a letter sent to bondholders, Gordon Thorley, president, reports that revenue is increasing and that the company has fewer vacancies in its apartments than for several years past. The autumn rental season, just closed has been a satisfactory one for the company. Out of a total of 84 apartments, 83 are now rented.

Mr. Thorley states that while it has not been possible as yet to secure higher rental rates from tenants, except in a few cases, the improvement in rental position will be reflected in increased revenues being obtained in November and December of this year, and continuing in 1936.

Lithographic Industry

Of 45 lithographing establishments in Canada in 1934, 30 were in Ontario. The value of the products was $8,602,000, 10 per cent higher than in 1933.

Company Earnings

Consumers' Gas Co.

Consumers' Gas Co. showed a drop in sales of gas and residuals in 1935 as compared with 1934 but reduction in costs permitted it to show a net almost the same. After reserves payment of common dividends at $10 a share required a transfer from the reserve fund of $504,216 which is about equal to the excess turned over to the plant and buildings renewal fund over the amount actually expended from that fund.

Income and Surplus Account
Years Ended Sept. 30

	1935 $	1934 $
Gross earnings:		
Gas sales	5,234,375	5,362,195
Residuals produced	1,688,708	1,713,724
Merchandise sold	228,971	167,587
Miscel. revenue	7,660	7,121
Total gross earnings	7,159,714	7,250,627
Less: Prod., distrib. & admin. exp. & taxes	5,287,566	5,405,887
Net earn. from oper.	1,872,148	1,844,740
Add: Int. earnings	81,172	96,999
Total net earnings	1,953,320	1,941,739
Less: Plant & bldgs. renewal fund	1,052,016	1,044,513
Net profit	901,304	897,226
Less appropriations:		
Dividends	1,405,520	1,405,520
Surp. for year*	504,216	508,294
Trans. from res. fund	504,216	508,294

*Deficit.

Working Capital

	1935 $	1934 $
Current assets	4,138,278	3,877,061
Current liabilities	1,290,344	903,780
Working capital	2,847,934	2,973,281
Ratio	3.21—1	4.29—1

Guelph Carpet

Higher profits and improved working capital position feature the report of Guelph Carpet & Worsted Spinning Mills Ltd. for the year ended Sept. 30, 1935.

With sales showing a moderate increase over the previous year the company reported an increase of 4.8 per cent in net profit. Earnings for the year after all charges were equivalent to $10.88 a share on the preferred stock and 91.8 cents a share on the common. This compares with $10.55 and 85 cents a share respectively in the year ended Sept. 30, 1934.

Working capital at the end of the year showed an improvement of over $53,000. During the year the company liquidated its bank loans, which amounted to $34,155 in the previous year. Current liabilities were reduced from $57,038 to $21,367. Current assets, on the other hand, increased from $867,434 to $886,333.

Income and Surplus Account
Years Ended Sept. 30

	1935 $	1934 $
Net earns. from oper.	153,822	140,499
Less: Depreciation	70,039	63,412
Net oper. profit	83,783	77,087
Add: Int. & other inc.	12,070	14,371
Less: Prov. for taxes	16,000	14,000
Net profit	79,853	77,458
Less dividends:		
Preferred	47,723	47,725
Common	26,250	26,250
Surplus for period	5,880	3,483
Add: Prev. surplus	70,325	66,842
Balance carried for'd.	76,205	70,325

Working Capital

	1935 $	1934 $
Current assets	886,333	867,434
Current liabs.	21,367	57,038
Working capital	864,966	810,396

Distillers-Seagrams

Distillers Corp.-Seagrams financial statement for the year ended July 31, 1935, does not disappoint the shareholders. It clearly shows the beneficial results which have resulted from the opening of the American market. Net profit available for dividends amounted to nearly $8.8 millions, as against $1.1 millions in the previous year. Share earnings increased from 66 cents to $5.05.

The balance sheet reveals a number of changes. Special loans of $1,975,000, shown in the 1934 report, have been liquidated. Most of the development work carried out in the United States has been financed out of earnings. Unsecured bank loans now stand on the books at $2 millions, a drop of $803,687 during the year.

Inventories of whiskies and spirits on hand at the end of July comprised approximately 29 million original gauge U.S. proof gallons carried on the balance sheet at about $15.3 millions, which figure includes casing cost, freight, duty and taxes, where such have been paid. This gives a book cost of slightly more than 50 cents a gallon—which is substantially under the market value.

During the year $2 millions was spent on capital account at the Indiana and Maryland plants. Plans are under way for the erection of a new distillery in Louisville, Kentucky.

The strong financial position of the company is evidenced by an examination of working capital. The excess of current assets over current liabilities increased during the year by over $6.8 millions.

Income and Surplus Account
Year Ended July 31

	1935 $	1934 $
Gross earnings	10,896,441	1,841,332
Less: Dirs. fees	1,500	5,000
Interest	100,656	143,165
Depreciation	*	287,362
Prov. for taxes	2,001,705	252,950
Net profit	8,791,580	1,152,855
Brought forward	6,565,061	5,937,351
Less: Adjustments	201,902	89,298
Prov. for taxes	....	435,846
Amort. of props.	1,000,000	....
Carried forward	14,154,739	6,565,061

*Amounted to $391,583, of which $249,810 charged to cost of production and $141,773 directly against profits.

Working Capital

	July 31 1935 $	July 31 1934 $
Curr. & work. assets	22,348,357	16,099,483
Current liabs.	4,249,711	4,897,479
Net current assets	18,098,646	11,202,004
Deferred liabs.	2,000,000	1,975,000
Net current assets after deducting all liabs. including deferred	16,098,646	9,227,004

Can. P. & P. Investments

Canadian Power and Paper Investment's first financial statement since the reorganization, covering the 19 months ended July 31, 1935, shows a deficit on income of $55,516 after providing for all reorganization expenses and interest on debentures and bank loans. While comparison with the previous statement for 1933 is not strictly relevant, the deficit in that year was over $104,000.

The balance sheet shows a reduction in call loans during the period of $311,933 to $531,275. In addition, $265,200 debentures held by the company were cancelled, reducing the funded debt to $2,134,800. The market value of securities held on July 31 last was $1,760,603, or practically the same as reported at the end of 1933.

Income Statement

	19 mos. ended July 31 1935 $	12 mos. 1933 $
Revenue	196,266	*99,708
Expenses	8,989	5,504
Net income	187,277	94,204
Less: Int. on loans	67,380	68,760
Int. on debs.	157,675	129,909
Reorganization exp.	17,738	....
Loss	55,516	104,465

*After loss of $57,145 on investments realized.

International Milling

Common share earnings of International Milling Co. for the year ended August 31 last were more than double dividend requirements, amounting to $10.17 per share. This represents a reduction of $1.49 per share from the previous year.

Substantial improvement is shown in the company's liquid position, working capital increasing from $8.1 millions to $8.7 millions. During the year notes payable were reduced by $1.8 millions. This was accomplished through a partial liquidation of inventories and accounts receivable. The former were reduced from $10.9 millions to $9.5 millions and the latter from $2.8 millions to $1.8 millions. Cash and government bonds are $1.1 millions higher.

Contingent liabilities in addition to the company's guarantee of the bonds of Lake & Rail Warehouse & Elevator Co. consist of obligations in connection with improvements in progress amounting to $5,100 and drafts on customers discounted and foreign drafts and bills of exchange sold totalling $840,804.

Consolidated Income and Surplus Account
Years Ended August 31

	1935 $	1934 $
Net profit	1,296,471	1,444,354
Less appropriations:		
7% preferred div.	228,053	227,700
6% preferred div.	50,455	50,788
Common dividends	500,000	425,000
Surplus for year	517,963	740,866
Add: Previous surplus	8,218,290	7,450,108
Disc. on pref. stk. ret.	22,185	15,094
Excess deprec. prior years	57,167	......
Transf. from exchg. res.	......	112,222
Less: Exps. on sale of subsid. bonds	15,000	......
Pref. stk. red. exps.	710,585	......
Approp. for pens. res.	......	100,000
Bal. carried forward	8,090,020	8,218,290

Working Capital
As at August 31

	1935 $	1934 $
Current assets	13,722,344	15,187,990
Current liabilities	4,971,841	7,016,006
Working capital	8,750,503	8,171,984

United Farmers

Improved working capital position and increased earnings are shown by the report of United Farmers Cooperative Co. Ltd. for the year ended Sept. 30 last.

Net profit for the year increased 18 per cent, amounting to $41,393 compared with $34,955 in the year ended Sept. 30, 1934.

Working capital is up about $40,000. Current assets at the end of the fiscal year amounted to $556,738, and current liabilities $439,530. Increases in inventories and accounts receivable account for the higher current assets. Inventories increased approximately $40,000 and accounts receivable after reserve for bad debts about $50,000.

Income and Surplus Account
Years Ended Sept. 30

	1935 $	1934 $
Net earnings	48,443	39,830
Less: Income taxes	7,050	4,875
Net profit	41,393	34,955
Less dividends	17,523	......
Surplus for year	23,870	34,955
Add: Previous surplus	22,005	12,940
Less trans. to conting. res.	10,000	
Bal. carried forward	35,875	22,005

Working Capital
As at September 30

	1935 $	1934 $
Current assets	556,738	465,685
Current liabilities	439,530	387,704
Working capital	117,208	77,981

ONTARIO HYDRO PRIMARY LOAD UP IN OCTOBER

Primary and Secondary Loads of All Systems Show Increase

The peak power load of the Hydro-Electric Commission of Ontario continues to mount. During the current year monthly output has shown a steady increase. October was no exception, primary load maximum 20-minute peak h.p. for all systems being 5.2 per cent higher than in the corresponding month of 1934.

Load of secondary power also increased. The primary and secondary load of all systems was up 12 per cent over October, 1934, indicating a sharp increase in secondary power load.

Northern Ontario Up

The most marked increase is shown by the Northern Ontario properties, where the primary load maximum 20-minute peak increased 29.2 per cent. The Niagara system had the smallest percentage increase.

In commenting upon the 2.4 per cent increase in primary load for the Niagara system the official bulletin of the commission states that this does not represent the true increase on account of the fact that losses in October last were approximately 20,000 h.p. less than in October, 1934. This is due to unusually economical division of load on transmission lines. Under the same operating conditions as in 1934, the percentage increase in primary power in October, 1935, would have been about 4.4 per cent.

Purchase power commitments for October are shown at 608,734 h.p. The following table gives comparative figures for primary and secondary loads.

Primary Load
Max. 20-min. Peak H. P.

Systems: Primary Load	Oct. 1935	Oct. 1934	Incr. %
Niagara	929,222	907,104	+ 2.4
East. Ontario	103,559	91,716	+12.9
Georgian Bay	27,534	24,488	+12.4
Thunder Bay	66,823	60,188	+11.0
North. Ont.	66,209	51,232	+29.2
Total	1,193,347	1,134,729	+ 5.2
Primary and Secondary Loads			
Niagara	1,231,501	1,121,716	+ 9.8
East. Ontario	133,733	121,823	+ 9.8
Georgian Bay	27,534	24,488	+12.4
Thunder Bay	112,673	[illegible]	+12.8
Nor. Ont.	110,282	83,306	+32.3
Total	1,615,723	[illegible]	+12.6

AWAIT RULING SUPREME COURT ON HOURS ACT

Hanging Fire Along With Other New Deal Legislation

From Our Own Correspondent

OTTAWA.—Typical of the uncertainty which surrounds all Bennett New Deal legislation prior to the deliberations of the Supreme Court in January, is the position of the Limitation of Hours Act and the Weekly Rest Act.

These laws became effective October 5 and July 4 respectively, but were followed by advice from government officials that no prosecutions for breach of the Acts would be instituted by the government until proper regulations regarding the Acts had been promulgated.

Never Promulgated

With the federal election on October 14, these regulations were of course never promulgated since the new government, having turned the question of the Acts' legality over to the Supreme Court also left any regulations in abeyance.

Nevertheless the Acts are still the law of the land and any individuals or corporations are legally within their rights in bringing a complaint before a magistrate or court, while it would seem the part of common sense for any court faced with such a complaint to inform the plaintiff that the matter was under review by a higher court.

At any rate the government says the matter is beyond its power for the time being although it would seem the new government is apparently in sympathy with the aim of this particular piece of legislation. Thus it would behoove firms and industries to prepare themselves for the law becoming completely effective in some form or another once a clear-cut decision is reached by assuming a favorable decision is handed down at Ottawa.

May Co-operate

If the Supreme Court decides the legislation is ultra vires then the government will doubltless aim to achieve the same end by co-operative effort on the part of all provinces. In this regard, the recent statement of Premier Taschereau of Quebec that he considers all wage and hour legislation between provinces must be uniform, is considered of the very greatest significance.

Over 2,400 Registrations Made for Vimy Pilgrimage

Over 2,400 applications, on which first payments have been made, were approved up to November 11 by the executive of the Vimy Pilgrimage of the Canadian Legion, according to Captain B. W. Allen, organizer. The Canadian Pacific Steamship Co. and the Cunard White Star Line state that this advance registration is the largest in the history of Canadian shipping.

Pilgrimage headquarters in France have already made advance billeting arrangements to accommodate 5,000 people. Thousands of ex-C.E.F. members are expected to join the pilgrimage in England to participate in the ceremony at Vimy Ridge where the services will be broadcast to the world.

Canon Scott, famous war-time "padre," and listed as Pilgrim Number One, will take a leading part in various commemorative services.

St. John's Census Shows Increase in Population

Population figures of St. John's District and Bell Island, Newfoundland, as shown in the recently completed census, have been announced. Population of St. John's East is 24,440, compared with 23,010 in 1921, the year of the last census, St. John's West 29,943 as compared with 24,791 and Bell Island 6,160 compared with 4,357.

Figures of greater St. John's city are East 19,381 and West 25,949.

Nothing Radical Seen At London, Paris Shows

London and Paris automobile shows offered very few new mechanical developments last month, according to H. O. Ward, director of publicity, Chrysler Export Corporation, visiting Canada recently. Stress in this year's shows, according to Mr. Ward, was laid on interior trim, particularly appointments, hardware and riding ease.

Increased sale for Canadian cars depended on better treaty relationships, according to Mr. Ward. He expressed the view that if a duty drawback could be allowed for cars imported and reassembled in Canada for export purposes this would give an important fillip to the Canadian export picture.

National Life Appoints London Branch Manager

Edward A. Horton has been appointed branch manager at London, Ont., for the National Life Assurance Co. Mr. Horton, a graduate of the University of Western Ontario and Harvard Business School, is regarded as a promising member of the company. He has lately been engaged in conducting independent insurance research for various companies, and has written a number of articles dealing with agency problems.

Life Company Shareholders 5.

London Life

Jeffery Family Retains Chief Interest In Shares

The Jeffery family who were responsible for founding the London Life Insurance Co. in 1874 still control a major portion of the shares of this company.

Out of 5,000 shares of stock outstanding, 1,496 shares are held directly by J. Edgar Jeffery, president of the company, son of Joseph Jeffery, founder. Other members of the Jeffery family with substantial holdings are H. E. Jeffery, 450 shares; C. Llewellyn Jeffery (a director), 213 shares; Dr. F. H. A. Baxter, of Montreal, 400 shares.

Reid Holdings

Next in importance among the shareholders are the Reid family which between them hold some 980 shares. Edward E. Reid, vice-president and managing director holds personally 875 shares. His nephew, Col. G. Eric Reid, also a director, holds sufficient shares to allow of qualification, namely, 25.

The other important block of stock is that held by B. Mabel Richter, daughter of John G. Richter, who was for 37 years general manager of the company. Mr. Richter retired from active service in 1920, became a vice-president and in 1928 succeeded to the presidency on the death of Dr. A. O. Jeffery. He died in 1932.

The company has but 42 shareholders.

Policy Widens Stake

Major stake in the company is, of course, held by policyholders. Out of something over $92 millions of assets, shareholders have an equity of but $200,000 being the amount paid in cash on a capital stock subscription of $500,000. The shares are 40 per cent paid up, the total number outstanding being 5,000. Shareholders also have an equity of $214,000 in shareholders surplus account while an additional $476,000 is indirectly credited to shareholders as the amount of surplus available in the company's non-participating fund.

The company's shareholders have never taken credit for the non-par surplus, however, according to E. E. Reid, managing director of the company, their dividends having been paid out of the 5 per cent profits paid to participating policyholders. All non-par profits have been used for benefit of participating policyholders. Similarly, some years ago, the whole industrial branch of the company was made participating instead of non-participating without any increase in premium rates.

Policyholders have their own directors; namely T. W. Baker, of Toronto; William Gorman and Archibald MacPherson, of London. Shareholder directors of the company as reported in the last government statement, are J. Edgar Jeffery, president; Edward E. Reid; C. Llewellyn Jeffery, G. Eric Reid; John E. Smallman, and Alec C. Spencer, all of London.

Mostly in London

Bulk of the company's shareholders are in London with a few in Toronto. Two shareholders with holdings of 48 shares reside in the United States and one with a holding of 24 shares lives in England.

Ten years ago the company had only $250,000 of subscribed capital of which $100,000 was paid in cash. There were then but 24 shareholders, chief of which were the Jeffery, Reid and Richter families.

The company's shareholders as reported at the last date for which official figures are available (Dec. 31, 1933) follow:

Name and Address	No. of Shares
Ballantyne, Mrs. A. C., Detroit, Mich.	24
Baxter, Dr. F. H. A., Montreal	400
Blackburn, Mrs. H. M., London	50
Buchanan, J. D., London	15
Chapman, D. L., London	10
Counsell, Mrs. M., Hamilton	60
Dromgole, Mrs. J. R. (in trust) London	8
Elliott, Dr. C. C., Leicester, Eng.	24
Elliott, Prof. Geo. R., Amherst, Mass.	24
Elliott, Harris P. c/o public trustee, Toronto	24
Gardiner, Mrs. M. I., c/o Toronto General Trusts Corp., Toronto	22
Gibbons, Helen B., London	60
Gibbons, Alan O., Toronto	20
Graham, Mrs. D. D., London	8
Hallett, Mrs. K. M., London	4
Harris, Mrs. L. C., London	64
Jeffery, C. L., London	213
Jeffery, Mrs. H. E., London	450
Jeffery, J. Edgar, London	1,496
Lovell, J. S., London	15
Maine, J. F., London	15
McBroom, Mrs. J. D., London	12
McPerson, Mrs. E. M., London	75
Mills, David M., executor Mills estate, Toronto	40
Morgan, Mrs. E. E. B., Toronto	47
Nainby, Mrs. A. H., Finchley, Eng.	24
Ontario Loan & Debenture Co. (in trust), London	28
Reid, E. E., London	875
Reid, G. E., London	25
Reid, R. H., London	30
Reid, Mrs. L. M., R.R. No. 1, London	50
Richter, M. Mabel, London	370
Royal Trust Co., Toronto	20
Smallman, J. E., London	47
Smart Estate, London & Western Trusts Co. Ltd. & G. C. Gunn executors, London	140
Spencer, Alex. C., London	50
Stephenson, J. G., London	15
Toronto Gen. Trusts Corp., Toronto	20
Turner, Mrs. Cora L., London	100
Weldon, Mrs. Annie E., London	22

Unique Insurance Record For Mrs. Evelyn Bateman

First 1935-36 membership in the North American Life Assurance Co. production club (Nalaco Club) goes to Evelyn Bateman of the company's Oshawa district.

The company thinks her record is unique so has devoted a page of its current monthly agency bulletin to her "success" story. Here it is:

"Joining the Oshawa district sales force in June without any previous sales experience, Mrs. Bateman has established a record which is interesting in several ways. Starting with an intense enthusiasm for insurance and with an intimate knowledge of a great many people, having lived in Oshawa all her life, she has been able to capitalize these two factors in a very effective way.

"The results she has secured have come not as a matter of chance or of any business being handed out to her, but as the result of consistent, regular hard work. In slightly over two months time she made 700 calls and it is interesting to note that calls which were made in June on school teachers, have resulted in business in September. In several cases the original canvass was so effective that her clients did not wait for a repeat call but got in touch with her by telephone and said that they were ready to take the plan suggested.

"Early in her experience she learned the benefit of careful records and repeat calls. In this regard she secured four applications from prospects where the way had been paved by an agent of a competitive company but who did not have the foresight to call back to secure the result of the first call.

"While the major part of her business has come from women, out of a total of twenty-four applications, nine have come from men, for attractive amounts. The business which she has secured has almost invariably resulted in high premiums and from a class where the persistency is likely to be 100 per cent."

Life Insurance Revealed As Field for Graduates

C. C. Ferguson, general manager of the Great West Life Assurance Co. discussed the various fields in the life insurance business as they offered occupational opportunities to university graduates, in the first of a series of career talks for University of Manitoba students. The series is being sponsored by the Winnipeg Board of Trade. He spoke on "Insurance."

The speaker pointed to the actuarial, the investment, the accounting departments, public relations work and the agency or production phases of insurance work as being fields in which college men could carve out careers for themselves. He stressed the necessity for adaptation in each of the branches and felt that insurance is a business which, if taken seriously, extends to graduates opportunities of great promise.

Mfrs. Life Appoints New Branch Managers

The Manufacturers' Life Insurance Co. announces two managerial appointments. A. Provost, who has been branch manager at Quebec for more than 12 years, has been appointed to the managership of Montreal north branch to fill the vacancy caused by the resignation of L. J. Lahaie. A. Chaumette, agency assistant at Quebec, has been promoted to acting branch manager there.

Both men have distinguished themselves in insurance work. Mr. Chaumette has spent his entire business career with Manufacturers' Life, joining the company in 1924.

The tenth annual convention of the Great Britain organization closed in September in Wales. The sessions brought out many ideas which were discussed by the large number present.

"Consistency" was one of the major points in the business to draw the attention of the delegates. As a factor in the success of the individual underwriter, it was regarded as all-important.

The representatives made a motor tour of North Wales during the convention period, visiting Snowdon, the highest mountain in the British Isles.

Standard Life Reports 30 P. C. Sales Increase

The Canadian branch of the Standard Life Insurance Co. reports 1,103 policies for sums assured of $3.3 millions to have been acquired during the company's financial year which ended Nov. 15, 1935. The total represents an increase of 30 per cent over last year's figures.

For new business purposes the company does not include revivals. Practically all of the new policies are issued on the regular participating plans without inflation of sums assured.

Says Insurance to Stay In Spite of New Schemes

Life insurance will still be required in spite of Social Credit, old age pensions or any vote-catching measures advanced by politicians, Edward Hanley, of Toronto, supervisor of agencies for the North American Life Insurance Co., told a meeting of the Windsor Life Underwriters' Association. Windsor and Detroit insurance men were present.

Mr. Hanley expressed this belief during his talk on problems which the active insurance worker must face. He sought to allay fears which had arisen about the future of the industry.

His contention was supported by an illustration from his own experiences. He stated that he had done a creditable business in Ottawa in spite of the fact that most of his clients were some of the 16,000 civil servants who are entitled to pensions upon superannuation.

"So long as the age-old institutions of parental love remain, life insurance will be sold," he declared.

Toronto Body Revises Course Casualty Lines

The casualty branch of the Insurance Institute of Toronto has issued its revised examination syllabus together with the schedule of lectures covering the current season. The course, which is available for agents, has been entirely changed from previous years.

In order to qualify for the preliminary course certificate, 15 examination papers are to be completed in, say, three years. The choice and number of subjects in any one year is left with the candidate. Examinations will be held as follows: two in automobile insurance; general public liability, property damage and employers liability; boiler and electrical machinery; two in basic principles; accident and sickness; two in guarantee bonds and forgery; inland transportation; four in claims adjustment.

The advanced course comprises examinations in statutes affecting casualty insurance, accounting and statistics, reinsurance, types of casualty carriers and three examinations in company management. In addition a thesis on casualty insurance is required.

A course of semi-monthly lectures has been drawn up.

Draft Written Memorial To Late W. G. Gooderham

A written memorial to the late William G. Gooderham "in appreciation of his character, his abilities and the accomplishments of his useful life" was unanimously approved and entered in the minutes of the United States Association of Life Insurance Presidents at a recent meeting.

It was further agreed that the sympathy of the organization should be extended to the family of the late head of the Manufacturers' Life Insurance Co., and to his company associates.

The memorial notes the contributions which Mr. Gooderham made to the insurance and other fields with which he was connected, notably education, and speaks of him as "endowed with a keen mind and a deep sense of responsibility toward the manifold labors that engaged his attention."

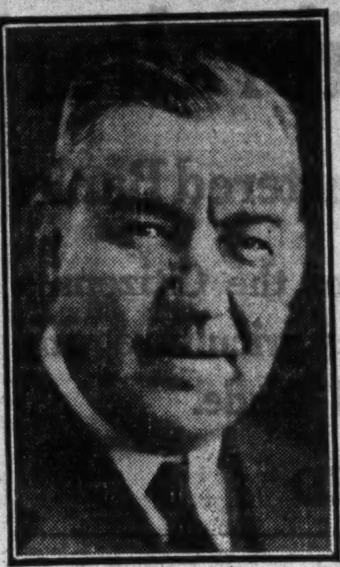
Insurance Policy Void If Assessments Unpaid

Unless all special assessments have been fully met, a policy of a mutual fire insurance company is void, was the decision given in a recent court action against the Saltfleet and Binbrook Mutual Fire Insurance Co. The action concerned the burning of a barn of a farmer who had paid premiums for 54 years but had neglected to meet a special assessment. It was explained that the plaintiff was either ill or absent at the time of the assessment and had subsequently paid it. The ruling of the court was that the policy was void because the assessment had not been paid on time.

Insurance Inklings

HORACE H. WILSON, of New York, manager of the Equitable Assurance Society of the United States in that city, is to speak at the meeting of the Life Underwriters Association of Toronto on Nov. 21. His subject is "Seeing is Believing." Mr. Wilson has been specializing on visual selling, and has developed a new idea in this phase of the business.

Heads Chamber



JOHN W. GLENWRIGHT
New president of the Edmonton Chamber of Commerce, now in its 47th year of operation. Mr. Glenwright is managing director of the Commercial Life Assurance Co. of that city.

Insurance Problems

Lumbermen's Underwriting Alliance

Kindly give us a report on the Lumbermen's Underwriting Alliance. Is it perfectly safe?

Lumbermen's Underwriting Alliance of Kansas City, Missouri, is a reciprocal company licensed to operate in Canada, and maintaining the usual deposit with the Receiver-General.

Reciprocal insurance, as you probably know, is insurance conducted through an exchange which is based upon an agreement upon the part of every member to pay a share of the losses sustained by any other member from certain specified sources. The amount that each member or subscriber pays will depend upon the risk to which he subjects the other members of the exchange. In other words, a reciprocal exchange is neither a company nor a corporation, but an agreement between subscribers on the one hand and the manager of the exchange on the other.

The two essentials of a successful reciprocal are an implicit faith between the subscriber and the manager, and a thorough and complete knowledge of the power of attorney on the part of a subscriber. If these two factors are present, there is no reason why a satisfactory contract could not be worked out.

The history of these organizations in the United States, where most of them have their origin, has been that mortality depends very largely upon the control exercised by the state. In this respect, the legislative control of the Federal and Provincial Insurance Departments in Canada leaves little to be desired.

In 1934, the Lumbermen's Underwriting Alliance had net premiums of $179,426 compared with $337,263 in the previous year. Loss ratio in the year was 207.29 per cent as against 47.44 per cent in 1933. One big loss might easily make this much difference.

Old Equipment Adds to Danger Ottawa's Fires

Although the Ottawa fire department is highly efficient, it is hampered by an insufficient number of men, inadequate equipment and an antiquated fire alarm system, was the statement made recently by J. Grove Smith, Dominion fire commissioner. Claiming that the great number of old buildings in the city constituted a serious fire hazard, Mr. Smith declared that the fire department, as presently manned and equipped, could not cope with a really big fire.

Due to the depression, he explained, many fire departments have been unable to keep their equipment up to an adequate standard. He estimated that about $15 millions of new equipment was needed in the Dominion.

During the last decade, Mr. Smith stated, property loss in Ottawa from fires was $4.7 millions, fire department expenses $3.6 millions and $7.5 millions were paid for fire insurance protection. He claimed that if because of inadequate protection, a surcharge of only ten cents was imposed by the Underwriters' Association it would mean an additional cost of $100,000 a year for insurance.

Fire and Casualty News

PREDICT RISE IN AUTO RATES FOR BRITAIN

See Mental Hazards and Traffic Regulations Increasing Accidents

Advice from London, Eng., indicates that automobile insurance rates may be advanced again next year if motorists do not improve their driving. The increasing auto toll is causing much concern to the British insurance offices, according to the Eastern Underwriter.

At the beginning of this year rates were raised in London, Lancashire and Glasgow, following the liquidation of several small offices specializing in automobile business and the generally bad experience of other offices covering automobile risks. Statistics now being prepared are expected to show that in 1936 another rise must be considered if the present trend continues.

What is happening is this: The majority of accidents are involving two or more vehicles—not a vehicle and a pedestrian. A form of accident formerly consistent in insurance records is now rocketing on the graphs. It is the "bump-and-crash" type of accident, and it rarely brings injury to the drivers or the occupants of vehicles. The result, generally, is frontal damage to the following car and tail-assembly damage to the leading vehicle. Damage to the sides of vehicles is also becoming more common.

The insurance offices attribute the increase in the number of these accidents to other causes than carelessness. They point to traffic lights, horn honking ban between 11 p.m. and 7 a.m., a 30 miles per hour speed limit, and a general increase in nervousness because of additional traffic regulations and of more police attention to minor offenses. All these causes, they contend, are putting strains upon drivers that most are unable to bear when continually driving in urban communities.

Insurers Like Early Showing Of New Motors

Leading underwriters are expecting a substantial increase in the volume of automobile business as a result of the early introduction of the 1936 cars. To date this business has failed to materialize. It is pointed out that although some models have been on view for several weeks, prospective purchasers have been holding off until they have seen all the models. Anticipation of a cut in the automobile tariff is also considered to have been a hindrance to heavy sales.

Such sales as have been made have mostly involved the trade-in of an old automobile. This, of course, merely involves the transfer of the insurance. Most of the underwriters are all in favor of the earlier introduction of the cars. They feel that the business will now be more equitably distributed over the year, some of the heavy spring load being transferred to the usually dull fall season.

Auto Accidents in 1934 Take Toll of 1,108 Lives

Revised statistics on automobile accidents in Canada during 1934, indicate that 1,108 deaths were attributed to this cause. In addition, 17,998 persons were injured and property damage of $1.3 millions was suffered. Occupants of motor cars were most frequent victims of fatal accidents, accounting for 470 deaths; pedestrians were a close second with 437.

Lower Losses Help Companies Settle Claims

Extremely low loss ratios, indicating a sharp decline in small hazard claims is seen as a major determining factor in the loosening of the settlements rule in the United States. The National Board of Fire Underwriters has recommended that companies withhold for 60 days payment of losses in cases of suspicious claims, but suggest that otherwise the companies may use their own judgment. In other words, companies may now, without criticism, settle as promptly as they wish all losses which appear perfectly honest.

Formerly the rule was that fire insurers withhold for 30 days after receipt of proof of loss, payment on all losses aggregating $500 or more. When the original rule was adopted during the national bank holiday in 1933, when small hazard claims were at their height, it called for a 60-day lapse in settlements of all losses over $100.

Situation Safer

Voluntary adherence to the previous rulings by National Board companies undoubtedly aided in the detection of crooked claims, but agents and company men alike now feel that this dangerous situation has passed. Maintenance of a rule to delay loss settlements, without respect for the origin of the fires, is now more detrimental than helpful, they claim. For some time local agents in the United States have been complaining that the former rule has worked to the advantage of non-member stock companies and non-stock insurers which have been making adjustments promptly.

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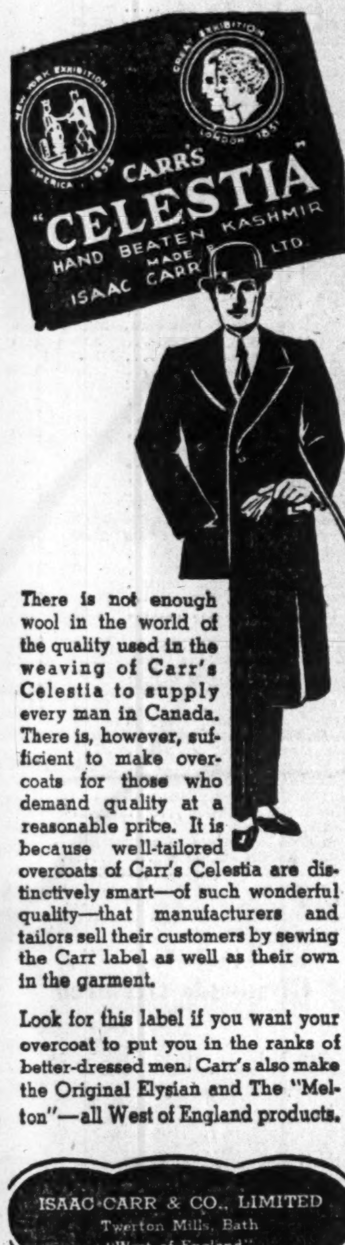

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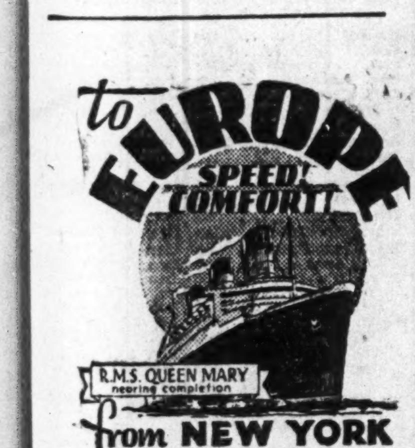

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Consumers' Gas Earns $6.41 Per Common Share

Earns $10 in Reality if Actual Repairs Considered Instead of Statutory Addition to Plant Renewal Fund — Taxes Still Mount

Consumers' Gas Co. of Toronto fell short by $504,215 of earning the full dividend of $10 a share on 140,552 shares of $100 par value after reserves. The income statement shows $6.41 a share for the year ended September 30, 1935. But the company actually earned the full dividend if one considers only the actual use of reserves for depreciation and renewal and maintenance.

It is explained by the fact that statutory allowance of $1.1 millions was taken from earnings and added to plant renewal fund though only $512,272 was actually spent in repairs; having fully met the law by making this statutory withdrawal, the company transferred $504,215 from reserve fund of $6.9 millions to restore the net available in profit and loss. And so dividend was paid. If the company shows the same earnings and expense in coming years, it can continue the present dividend for 12 years by the same process. It reduces its reserve fund and increases its plant renewal fund. That has been the history of dividend payments in recent years when purchasing power has been lower than normal and taxes much higher.

Bought Coal Ahead

Working capital was slightly down but still very strong. It showed, however, a bank advance of $506,340 as compared with $149,707 a year earlier. This was because the company bought in advance a sufficient supply of gas coal to carry it through the winter months and had it stored at Canadian lake ports until needed.

The company reduced expenses, but taxes and ungovernable expenses took away the benefits of these economies. Freight rate on coal went up 15 cents a ton in April. The Dominion budget reduced by a substantial amount the drawback of customs duty paid on gas coal to which the company had been entitled under an amendment to the customs tariff adopted one year earlier. Direct taxes in the year amounted to $490,513 and interest taxes to $375,326.

The wage and salary list for the year was $1.8 millions for 1,287 employees. Of these employees 90 per cent have been with the company for more than five years and 70 per cent for more than 10 years.

The ownership of 140,552 shares is vested in 3,489 shareholders of whom 52.8 per cent are women, 27.57 per cent are men and 29.35 per cent are financial institutions, corporations and estates. Canadians hold 94.23 per cent of the stock.

For income figures see page 13.

NANAIMO-DUNCAN EARNINGS COVER BOND INTEREST

Operating Revenue Increases $9,202 — Gain Shown in Customers

Earnings of Nanaimo-Duncan Utilities Ltd., for the eleven months ended June 30 last, available for bond interest, amounted to 2.8 times interest requirements after providing for depreciation, income taxes and certain non-recurring expenses.

Operating revenue increased, despite higher taxation, as a result of an increase in power customers from 3,971 to 4,175, a gain of 204. The increase in gross revenue was $9,202. The bulk of the gain in customers was in residential consumers, but there was a gain of 26 in strictly commercial connections. Total sales were 3,619,687 kw.h. against 3,596,776 kw.h. in the previous year.

The balance sheet shows working capital of $46,424. This is $6,424 in excess of the minimum requirement of $40,000 called for in the trust deed of the first mortgage bonds.

Organized in 1934

Nanaimo-Duncan Utilities Ltd. was organized in June, 1934, to take over from United States interests the enterprises formerly operated by Nanaimo Electric Light, Power and Heating Co., and Duncan Utilities Ltd.

The company has outstanding $450,000 in 5½ per cent first mortgage 30-year sinking fund bonds. In addition the company assumed $63,638 in the City of Duncan six per cent debentures. During the past year this latter liability was reduced by $8,241. Further payments are to be made this year amounting to $7,902. Share capital consists of $400,000 in 6½ per cent preference shares, par $50, and 25,000 no par value common shares.

Outlook Bright

In referring briefly to the outlook for the company, Brig.-Gen. J. A. Clark, president, states that prospects for new business appear reasonably good. He points out that Nanaimo has become the distributing centre for Vancouver Island north of the Malahat and states that in spite of falling coal production, conditions in Nanaimo are decidedly better than they have been for the past five years. Throughout the area served by the company business is active due in large measure to increased lumber production.

Directors for the ensuring year are as follows: Brig.-Gen. J. A. Clark, K.C., president; J. Fyfe-Smith, W. R. McIntosh, George Kidd, R. C. Buchanan, Stanley Burke and B. H. Gunning, all of Vancouver.

Anglo-Canadian Pulp Plans Normal Timber Cut

From Our Own Correspondent

MONTREAL. — Anglo-Canadian Pulp and Paper Mills Ltd. reports it is cutting approximately the same quantity of pulpwood as last year—about 200,000 cords. In addition, the company will purchase approximately 75,000 cords of pulpwood from other sources.

Powell River Co., on the Pacific coast, reports that it will cut approximately 140 million feet of logs this year. About 75 per cent of this amount is being taken up by contractors, and the balance purchased in the open market. The company does not operate any camps.

Port Royal Pulp & Paper To Open St. George Mill

From Our Own Correspondent

MONTREAL.—Port Royal Pulp & Paper Co., of Fairville, N.B., will start operations at its St. George plant before the end of the month. According to A. J. Lacroix, a good market for pulp was offering and indications are that the mill would have an extended operation.

Operation of the St. George plant, which normally employs between 75 and 85 men, with a weekly payroll of more than $1,500, was closed down last February. The mill requires three shifts of men and production amounts to 50 tons a day.

Laura Secord Candy Not to Split Stock

Directors of Laura Secord Candy Shops Ltd. have not considered the question of splitting the company's stock, the annual meeting of shareholders was informed.

Frank P. 'Connor, president, in a letter to the shareholders stated that further improvement could be reasonably expected in the current fiscal period.

Otherwise the meeting was routine, directors being re-elected.

New Industries and Plant Extensions

Compiled Weekly By The Financial Post

Canadian Industries Ltd., Montreal, has announced that at the beginning of the new year additional equipment will be installed and certain structural work will be undertaken. (Montreal Star.)

Canadian Machinery, announces that:

J. H. Ryder Machinery Co., Toronto, and **T. E. Ryder Machinery Co.**, Montreal, have been appointed representatives for Cleveland Automatic Machine Co., manufacturers of automatic machine tools, bar and chucking machines.

Reavell & Co. (Canada) Ltd., Montreal, has been formed to give technical information and service in connection with the products installed in this country of the parent company, Reavell & Co., Ipswich, Eng.

Parmenter & Bulloch Co., Gananoque, Ont., manufacturer of tubular rivets for radio parts, has completed a two-story addition to the plant.

Canadian Raybestos Co., Peterborough, Ont., has completed a new addition and machinery is at present being installed. The new department is for the manufacture of hydraulic brakes, hose, cups and boots.

The Toronto Industrial Commission announces that:

National Cash Register Co. of Canada, Ltd., has purchased property at Lansdowne Ave. and Dundas St. for construction of a new factory and general office building to cost about $300,000, to be completed in six months time.

Maxwell Paper Box Co., which commenced operations Oct. 1, is manufacturing set-up boxes at 821 Queen St. E.

C-O-Two, Ltd., newly incorporated, will produce and distribute in Canada carbon dioxide type of fire extinguishers at 91 Don Roadway.

International Cottaphone, Ltd., has been established to manufacture waterproofing compounds for household and industrial purposes with head office at 43 Scott St. and factory at 46 Colborne St.

Imperial Manufacturing Co., maker of electrical heating appliances and parts, moved to 532 Eastern Ave. where it now occupies twice as much space.

Canada Foils, Ltd., 7 Fraser Ave., is constructing a $15,000 addition to the foils building to provide improved packing and shipping facilities.

Gilchrist Baking Co., Ltd., 173 Dalhousie St., will have an $8,000 addition to the plant.

Imperial Manufacturing Co., maker of electrical heating appliances and parts, has moved to 532 Eastern Ave., doubling the amount of space occupied.

H. Holdroyd & Son, 176 John St., producers of worsted yarns, is installing additional equipment for the production of new lines, necessitating occupancy of another floor.

Globe Bedding Co., Ltd., has leased the reconstructed Schepp Bldg., Spadina Ave., giving additional floor space.

Robinson Clay Product Co. of Canada, Ltd., 127 Shaftesbury Ave., manufacturers of plastic firebrick cement and other refractory materials, is installing equipment for production of special shapes in a high-temperature firebrick product known as "Cas-to-fit."

Halifax Cargo Tonnage Greater During October

From Our Own Correspondent

MONTREAL. — Total cargo tonnage handled inward and outward at the Port of Halifax during last month totalled 189,063 tons. This compares with 165,736 tons for the same month a year ago, and with 206,891 tons for October, 1933.

Since the beginning of the current year, cargo handled at the Port of Halifax amounted to 1.8 million tons, as against 1.7 million tons in 1934. The tonnage handled by the port this year is the largest reported for some time.

Canadian Rolling Mills Retire All Funded Debt

From Our Own Correspondent

MONTREAL.—Outstanding 6 per cent first mortgage 20-year gold bonds of Canadian Rolling Mills Co., Ltd., and Colonial Wire Manufacturing Co., Ltd., normally falling due on January 2 and July 2, 1938, are being called for redemption on January 2, 1936.

The business of the parent company, Canadian Tube & Steel Products, Ltd., is reported to have shown a marked increase during the past two years and all bonded indebtedness of the subsidiaries is now being retired.

Bank Chat

Backlash

THERE seems to be a feeling prevalent among bankers that now is the time to present their side of the picture. At least two Canadian banks have recently published and widely distributed statements of responsible executives which deal analytically with general bank criticisms. One of these dealt with the problem of public relations and the banks; the other with the creation of credit.

In both of these stories, there was a most welcome inclination to meet the public on its own ground and to explain banking practice in a language which can be readily understood. There is a suggestion that such tactics may be carried still further, possibly on a definitely organized programme, in the presidential address of Jackson Dodds at the Canadian Bankers Association last week. "Unwilling to be accused of 'playing politics,' we have curbed our impulse to tell what we have done on behalf of our customers," stated Mr. Dodds, "Canadians are realizing the unfairness of the attacks. This growing feeling of revulsion assures me that an effort to answer some of the critics of the policies which the banks have adopted for the protection of the public will be welcome."

* * *

Service Charges

MR. DODDS also makes a prediction in regard to service charge policy which is not altogether unexpected. "It will undoubtedly be necessary in future," he states, "to make charges for many services which in the past have been given free or for less than cost." Many depositors have been considerably riled over the imposition of these charges, and a good deal of explanation will probably be required before they are accepted with good grace.

* * *

Statistics in a Nut Shell

WHAT Mr. Dodds terms a "bird's-eye picture" of the Canadian banking system, condenses in a few sentences the chief statistics relating to the chartered banks. Briefly it is that ten banks operate some 2,924 branches and 608 sub-agencies in Canada and 147 branches and two sub-agencies abroad. They employ a staff of over 25,000, which handles $2,554 millions belonging to 4.7 million depositors and either loans it to approximately 400,000 reliable borrowers or invests it in the soundest of securities.

The activities of this staff are guided by 163 directors chosen by over 49,500 shareholders who hold an average of 29 shares each. The investment of these shareholders in the capital stock of the banks, together with reserves and undistributed profits, amounts to almost ten per cent of the banks' total assets of $3,036 millions.

Other interesting figures submitted by Mr. Dodds were to the effect that 42 per cent of reserves was from premium on stock issues, 24 per cent from assets of amalgamated banks and 34 per cent from profits which have accumulated over the course of a century and more.

* * *

Credit Finance

THERE would appear to be something paradoxical in the fact that a "Victory Fund" has been established in England for Alberta Social Crediteers. Why should an administration which claims to have found the solution to monetary difficulties need such a gift? And why should its doctrinal brethren over the ocean contribute to the coffers of a party with such a panacea? The same question could be asked in respect to Mr. Aberhart's realization of the necessity of federal government assistance.

The usual alibi given by the "crediteers" is that the funds are required to finance the period of transition from the present system to social credit. Such a period of transition is quite likely to extend for a very long time. Meanwhile, some of those who marked their ballot for Aberhart are becoming impatient because a dividend has not been declared. There appears to be a hard, cold winter ahead for the Alberta Government.

* * *

U. S. Bankers Meet

CANADIAN bankers were not the only ones to hold an annual meeting last week. Down in New Orleans the American Bankers' Association convened to discuss current problems. And these were many. Keynote of the convention appeared to be the need for curtailment of government expenditure and government intervention in business. One speaker even went so far as to advocate an educational campaign designed to "show up" the policy of the administration.

It is significant that at this meeting, too, the problem of better public relations arose. Canadian banks are not alone in being subjected to a barrage of criticism.

It is also of interest in respect to Mr. Dodds, prophecy as to service charges to note what one prominent American banker stated before the convention. "I don't imagine there is a banker in this audience today who has not long since put in a schedule of service charges. If there is, his directors should be looking for someone to fill his place." Such charges have been quite common in the United States for years. Perhaps Canadians are not being so badly treated in this regard after all.

* * *

Staff Changes

THE Bank of Nova Scotia has announced the following appointments:

W. LONG to be manager at Haileybury.

H. J. JOHNSON to be manager at Haymarket Square, Saint John, N.B.

R. A. S. ELLIOT to be assistant manager at North Bay.

G. W. SINCLAIR to be accountant at St. John's, Nfld.

The Bank of Montreal has made the following staff changes:

E. B. LAVELLE, formerly in the Superintendent's department, at Toronto, to be manager at Fort Erie, North.

H. P. O'SHEA, formerly manager at Fort Erie North, to be special representative at New York.

H. W. KELLINGTON, formerly accountant at Yorkton, to be manager at Bissett.

T. W. TOD, formerly manager at Bissett, to head office, Montreal.

* * *

Correction.—Staff changes attributed in last week's issue to the Bank of Montreal were so shown in error. The appointments were made by the Royal Bank.

S. H. Logan

Wide Knowledge of Foreign Countries Is Big Asset to New President of Bankers' Association

Sidney Henry Logan, recently elected president of the Canadian Bankers' Association, is a banker "because he had to get a job."

Born at Springhill, Nova Scotia, Mr. Logan left high school there at the age of 16 to go to work. He had no particular preference for the banking profession. But there was an opening with the old Halifax Bank in his town, and "Logie," as he afterward came to be called, entered upon his financial career. He started at the princely salary of $8.33 a month.

His record since that time has been one of steady progress. It is an illustration of the old saying that there is always room at the top. And Mr. Logan feels that that old saying holds true today. It is a long climb. It requires an enormous amount of hard work and of patience with ordinary routine tasks, he admits, but opportunities are still open in the field of banking for those who are willing to pay the price.

Wide Experience

When the Bank of Commerce took over the Halifax Bank in 1903, it was evident that Sidney Logan would never become a banker of the pawnbroker type, and that he was extremely anxious to have a practical banking experience in many lines of industry. This is evident in a reply made to the Bank of Commerce inspector on his first visit to the New Glasgow branch where Mr. Logan was then stationed. The inspector is said to have asked, "I hear, young man that you can mine coal and roll steel rails with the best of them—so what would you like to master next?" To which young Logan replied, "I'd like to learn something about the lumber business."

As a result he was transferred to Wiarton, at that time a thriving saw mill town. There he filled his desire of learning in regard to the lumber trade. Shortly afterward, the great Cobalt boom broke out, and Logan, scarcely more than a boy, was appointed manager of the bank in that town. The office was a 16 ft. by 20 ft. tent with oilcloth covered planks as a counter, but they served the purpose. During his stay he made a wide circle of friends both in Canada and in the United States, for Americans were greatly interested in Northern Ontario developments. While at Cobalt he also became thoroughly conversant with conditions in the United States, Mexico, China and India, these being the countries chiefly interested in silver.

His next assignment was a special trip through western Canada, studying conditions in the larger cities there, and incidentally increasing his knowledge of his native land.

In 1913 he was sent to Newfoundland to receive an introduction into the export business. Following the same procedure as when in Cobalt, Mr. Logan studied those countries which were the chief markets for Newfoundland's staple profits. Thus he received an intimate knowledge of the fish importing countries of Portugal, Spain, Italy, Greece, Cuba and the West Indies.

S. H. LOGAN

When the bank looked around in 1917 for a man to consolidate and take charge of its foreign operations, Mr. Logan was the logical choice. Shortly after the war, Sir John Aird, now president of the Bank, realized the importance to the bank of foreign trade. He asked Mr. Logan to visit those cities abroad where a market could be developed for Canadian goods. Three years were spent in travel over a good part of the world. As a result of these visits, made in company with the late Sir Edmund Walker, then president of the bank, a substantial volume of foreign trade was directed Canada-ward.

All of this travel abroad provided an exceptionally broad background for his association with international bankers, when he was sent to New York, in 1923, as the bank's senior representative. He occupied this post until his appointment as general manager of the bank early in 1926.

In addition to his duties as general manager and a director of the Canadian Bank of Commerce, Mr. Logan serves on the board of the Toronto Savings & Loan Co. and the Dominion Realty Co.

Bank of Canada Weekly Statement

Apart from a further rise of $5 millions in government advances, and an increase of more than $3 millions in reserves held in the United States, deposits show the only substantial changes in last week's Bank of Canada statement. Deposits of chartered banks were up well over $5 millions and those of the government $3.6 millions.

Balance Sheet

	— Weeks Ending — Nov. 13 $	Nov. 6 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	97,537,135	97,479,803
Dep.: Dominion	21,787,195	18,178,905
Banks	204,033,851	198,650,089
Other	1,423,597	1,424,043
Total deposits	227,244,643	218,253,037
All other liabs.	1,750,999	2,147,595
Total liabs.	331,532,777	322,880,436
Assets		
Reserve: Gold	181,532,737	181,302,819
Silver bullion	1,668,792	1,667,521
Res. in sterling	193,185	121,161
Res. in U. S.	6,770,314	3,470,436
Res. elsewhere	10,659	14,063
Total reserve	190,175,687	186,576,000
Subsidiary coin	259,509	267,938
Adv. to govt.	29,224,750	24,224,063
Investments:		
Dom. govt. short	27,461,003	27,414,106
Other Dom. govt.	81,233,090	80,887,145
Total invest.	108,694,093	108,301,251
Premises	127,576	127,576
All other assets	3,051,162	3,383,608
Total assets	331,532,777	322,880,436
Reserve ratio	58.55%	59.09%

L. C. M. S. Amery President Of Trust & Loan Company

Rt. Hon. L. C. M. S. Amery, P.C., M.P., was recently elected president of the Trust and Loan Co. of Canada at a meeting of the board in London. He succeeds Colonel the Hon. Sidney Peel, C.B., D.S.O., who has resigned.

Mr. Amery was re-elected last week as the member of Parliament for the Birmingham (Sparkbrook) Division.

Canadian Banks Close Six Branches in October

Branches of Canadian chartered banks at the end of October numbered 3,630, of which 3,481 were in Canada, 25 in Newfoundland and 124 elsewhere. This represents a net decline of five during the month.

One new branch was opened, a North Toronto branch of the Province of Ontario Savings Office. There are now 23 Savings Office branches in that province. Offices closed in October were as follows: Bridge River, B.C., Commerce; Brome, Que., Montreal; Dalhousie, N.B., Nova Scotia; Ramore, Ont., Imperial; St. Albert, Alta., Nationale; and Roncesvalles and Geoffrey branch, Toronto, Commerce.

New Toronto Branch

The Bank of Toronto has opened a branch at 518 Eglinton Ave. W., Toronto, to be known as the Eglinton and Heddington Ave. branch.

Weekly Bank Clearings

	Nov. 14 1935 $	Change year ago %	Nov. 7 1935 $
Halifax	1,856,710	—21.1	2,655,708
Saint John	1,225,051	—20.1	1,986,014
Moncton	658,491	+3.1	793,729
Sherbrooke	573,892	+4.9	701,670
Quebec	4,150,721	+2.5	6,501,917
Montreal	76,922,479	—14.1	109,274,764
Ottawa	15,669,959	+276.4	28,142,600
Kingston	493,192	—12.3	684,083
Peterborough	652,429	—5.8	747,167
Toronto	90,185,664	—13.6	118,604,943
Hamilton	3,685,298	+4.9	5,119,496
Kitchener	807,778	—14.5	1,215,625
Brantford	697,451	+3.2	976,445
London	2,228,093	—21.6	3,122,001
Chatham	403,519	—16.5	466,040
Windsor	1,925,874	+1.6	2,438,897
Sarnia	372,039	—1.2	544,429
Sudbury	952,795	+18.3	853,021
Fort William	506,817	—18.0	828,378
Winnipeg	51,969,785	—4.4	62,887,369
Brandon	277,571	—14.3	421,070
Regina	3,756,905	—2.0	4,870,208
Moose Jaw	644,726	+29.1	907,088
Saskatoon	1,479,944	—1.5	2,115,356
Prince Albert	307,585	—3.1	423,405
Edmonton	3,335,623	—16.6	4,492,865
Calgary	6,747,087	+9.4	8,136,367
Medicine Hat	254,614	—0.8	307,204
Lethbridge	469,652	—12.6	676,564
N. W'minster	495,258	+10.6	692,085
Vancouver	13,773,267	—1.0	19,069,120

Foreign Exchange Markets

Once again, chief interest in exchange movements centred in the East. The Hong Kong dollar gained more than a cent and a half during the week, taking it to well over six cents above the level at which Chinese currency is to be stabilized. Japanese currency declined slightly.

The Bank of France raised its discount rate from three to four per cent on Nov. 14. In recent weeks the exchange rate has been moving against France to a point where it was profitable to ship gold, chiefly to New York and Amsterdam. Devaluation of the franc has again become a matter of current discussion, but Premier Laval and his supporters are said to be still determined to cling to gold.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Nov. 12	Nov. 13	Nov. 14	Nov. 15	Nov. 16	Nov. 18
U. S. dollar, High	.5906	1.01 1/16	1.01 1/16	1.01 3/32	1.01 1/16	1.01 3/32	1.01 1/32
Low	.5906	1.01	1.01 1/16	1.01 1/16	1.01⅛	1.01⅛	1.01 1/16
1934, High	.5906	0.96[illegible]	0.97[illegible]	0.97[illegible]	0.97[illegible]	0.97 1/16	0.97[illegible]
Low	.5906	0.97 1/16	0.97[illegible]	0.97[illegible]	0.97½	0.97⅛	0.97 1/16
U. K. pound	4.8665	4.97¾	4.97¾	4.97½	4.97¾	4.97¾	4.97¾
Argentina	.4246	.2740	.2736	.2739	.2742	.2737	.2742
Australia	4.8665	3.9738	3.9754	3.9746	3.9748	3.9678	3.9738
Austria	.1407	.1906¼	.1904½	.1905	.1906¼	.1905	.1904¼
Belgium	.1392	.1711½	.1709⅛	.1709½	.1710	.1709	.1710
Brazil	.1963	.0566½	.0566	.0566	.0566½	.0565¾	.0566½
Czechoslovakia	.0296	.0419	.0418½	.0418½	.0419	.0418½	.0419
Denmark	.2680	.2224	.2224	.2222¾	.2225	.2221⅜	.2223
France	.0392	.0666½	.0666	.0666	.0666½	.0666	.0666¾
Germany	.2382	.4072¾	.4069	.4069¾	.4071¾	.4070¼	.4072¾
Greece	.013	.0095½	.0095½	.0095½	.0095¼	.0095½	.0095½
Holland	.4020	.6874½	.6867	.6868½	.6871½	.6871¼	.6872½
Hungary	.1749	.3005	.3002½	.3003½	.3005¼	.3003¼	.3005¼
India	.3650	.3793½	.3785	.3786	.3787½	.3785	.3787½
Italy	.0526	.0821	.0820	.0820	.0820½	.0820¼	.0819¾
Japan	.4985	.2914	.2906¼	.2906¼	.2909	.2907¼	.2899
Jugoslavia	.1929	.0231¾	.0231½	.0231½	.0231¾	.0231½	.0231¾
New Zealand	4.8665	4.0138	4.0154	4.0146	4.0148	4.0168	4.0138
Norway	.2680	.2501	.2502	.2500¾	.2503¼	.2502	.2501¼
Poland	.1122	.1910	.1909	.1909	.1909	.1910	.1909
South Africa	4.8666	4.9522	4.9542	4.9532	4.9535	4.9559	4.9522
Spain	.1929	.1382	.1380½	.1380¾	.1381¾	.1380¾	.1382
Sweden	.2680	.2567	.2566¾	.2566½	.2569	.2566½	.2567½
Switzerland	.1930	.3292	.3288½	.3288½	.3290½	.3288½	.3290½
Hong Kong	.5423	.3463¾	.3483½	.3564½	.3569	.3625¾	.3642¾

BARCLAYS BANK MAKES PROGRESS OVER PAST YEAR

Advance Maintained in Both Domestic and Foreign Fields

"Return to a reasonable standard of prosperity depends in no small measure upon economic recovery throughout the world," Sir Robert Borden told shareholders at the eighth annual meeting of Barclays Bank (Canada) this week. That, in turn, depends on a number of factors such as peace, international cooperation and so on. "But," he continued, "no nation faces the future with higher confidence or firmer heart than Canada."

H. A. Stevenson, general manager, indicated that the bank's progress during the year ended Sept. 30 last was very satisfactory. Although disturbed political conditions, particularly abroad, have not been favorable to restoration of confidence, it is stated that the bank's advancement both in domestic and foreign fields has been steadily maintained.

Financial Position

Although no financial statement is issued by the bank, the monthly return to Ottawa as of Sept. 30 provides the basis for a comparison of the condition of the bank at that date this year and in 1934.

Total assets increased during the year from $13.1 million to $14.9 million, the highest point yet reached. Demand deposits in Canada were down from $2.4 million to $1.6 million and notice deposits from $4.0 million to $3.5 million, but a new item, deposits outside Canada slightly more than offset these losses. The number of accounts is said to have increased substantially. Loans as shown by these returns to the Minister of Finance are up substantially over a year ago. Commercial loans in Canada are up from $1 million to $1.4 million and call loans in Canada from $800,000 to almost $1 million. Total security holdings advanced from $2.9 million to $5.8 million, most of the increase being in government securities of longer than two-year maturities.

Surplus has not yet been built up to significant proportions; it advanced slightly during the year to $2,248.

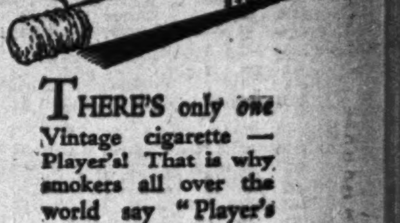
Bankers Elect S. H. Logan Head Of Association

S. H. Logan, general manager and director of the Canadian Bank of Commerce was elected president of the Canadian Bankers' Association at the annual meeting in Montreal last week. He succeeds Jackson Dodds, general manager of the Bank of Montreal.

Other officers elected are as follows:

Honorary presidents Sir John Aird, Sir Frederick Williams-Taylor, C. A. Bogert, John R. Lamb and J. A. McLeod; vice-presidents, H. B. Henwood, general manager Bank of Toronto; Dudley Dawson, general manager Dominion Bank; S. G. Dobson, general manager, Royal Bank of Canada, and H. F. Patterson, general manager, Bank of Nova Scotia.

Vintage Tobacco makes Player's Please



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What is a joint account?

An account in the names of two persons each of whom may make deposits and draw cheques.

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AND OUTERWEAR
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PENMANS LIMITED
General Offices: PARIS, ONT.

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at
Beaupré, Que. Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. Iroquois Falls, Ont.
Espanola, Ont. Smooth Rock Falls, Ont.
Pine Falls, Man. Fort William, Ont.
Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

Quotations

Montreal, Toronto and Curb Prices

Canadian Bond Markets

WEEK ENDING NOVEMBER 18

Range 1935 High	Low	Divd. Rate $	Y'ld in % Nov. 16		Sales	Close Nov. 11 or (last)	Week Ending Nov. 18 High	Low	Close
				A					
2.00	.50	.	...	Abitibi	5180	.80	1.25	.85	1.15
9¼	3	.	...	Do. pref. 6%	1165	4½	6	4½	5
6¼	3	.	...	Do. cert. dep.	272	4½	5	4	5
5	5	.	...	Acadia Sugar	....	5	..	..	..
7	3	.	...	Acme Glove	30	6½	6½	6½	6½
47	32	3.25	6.9	Do. pref.	20	46	47	46	46
10	7½	40+20c	7	Agnew Surp.	....	8½	..	..	..
108½	96	7	7	Do. pref.	55	100	99⅞	99⅞	99⅞
3½	1	.	...	Alta. Pac. Gr.	5	3½	2	2	2
29	15	.	...	Do. pref.	60	18½	19	18½	19
25	25	.	...	Aluminium	....	25	..	..	..
2	1½	.	...	Amal. Electric	....	2	..	..	..
18	12	.	...	Do. pref.	....	12	..	..	..
29	16	40c	...	Amer. Cyn. B.	....	29	..	..	..
30¾	25	.	...	Amer. Celanese	....	25	..	..	..
52½	51	3.50	6.7	Anglo-Can. Tel.p	85	..	52½	51	52½
18	6	.	...	Asbestos v. t.	598	16	16	14¾	15½
13¾	8½	.	...	Assoc. Brew.	340	10	10½	10	10
110	104	7	6.4	Do. pref.	10	108½	109	109	109
4	1½	.	...	Assoc. Can.	100	3	3½	3½	3½
105½	104½	7	6.7	Atlan. Sugar, p.	....	105	..	..	..
				B					
66½	51½	2.52	4.7	Bank of Canada	175	53	54½	52½	53
135	126	8	6	Bk. Can. Nat.	30	130	135	132	133½
204	152	8	4.3	Bk. Montreal	231	184	186	182	185
305	245	12	4.5	Bk. N. Scotia	112	265	268	263½	267½
235	183	10	5	Bk. Toronto	17	204	204	201½	204
11	10	50c	...	Barcelona	....	10½	..	..	..
10	4½	.	...	Bathurst Pr.	2448	9	10	8½	9¾
4	1	.	...	Do. (B)	135	2¾	3½	2¾	3½
3.00	.50	.	...	Bawif Grain	16	1.00	1.00	.70	1.00
40	17	.	...	Do. pref.	....	17	..	..	..
3	3	.	...	Beath & Sons	....	3	..	..	..
15	8½	.	...	Beatty Bros. A.	920	10	12	10	12
95	85	6	6.4	Do. pref.	55	92	93	91½	93
7½	2½	.	...	Beauharnois	1421	4	4½	3½	3¾
98½	85	4	4.3	Belding Cort.	....	92	..	..	..
125	116	7	5.6	Do. pref.	....	125	..	..	..
139½	118	6	4.3	Bell Telephone	2738	135½	139½	135	138
28	13	1.50	5.8	Biltmore Hats	120	25	28	25	26
110	97½	7	6.4	Do. pref.	....	109	..	..	..
4	3½	.	...	Bissell, T. E.	....	4	..	..	..
35	25	.	...	Do. pref.	....	31¾	..	..	..
3½	1¾	.	...	Blue Ribbon	225	1¾	3½	3	3
29	19	2	7.7	Do. pref.	30	27	26½	26	26
30½	27½	2	6.7	Brant. Cord. pf.	45	30	30	30	30
10¾	7½	.	...	Brazilian Tr.	74811	8¾	10	8½	9¾
1.60	35	.	...	Brew. & Distil.	25531	1.25	1.60	1.20	1.50
4.25	1.00	.	...	Brewing Corp.	3911	2.25	2.62	2.00	2.25
22¾	8	1.50	14.2	Do. pref.	1770	11½	11¾	10¾	10¾
14	11	30c	2.7	Bright, T. G.	....	11	..	..	..
77½	75	6	8	Do. pref.	....	75	..	..	..
16¾	13½	80c	4.9	Brit. Amer. Oil	11748	16½	16½	16	16¾
1.75	50	.	...	B. C. Packers	15240	1.00	1.25	1.00	1.10
25	13	.	...	Do. pref.	1044	22¾	25	24	25
30½	21	1.50	5.2	B. C. Power A.	1253	29½	29½	28½	29½
5	2	.	...	Do. (B)	53	3	4½	3½	4½
18½	14¾	1.20+10c	7.5	Bruck S. M.	1632	18½	18½	16½	17
34½	25½	1	3.2	Building Prod.	775	31	31½	30	30¾
38	29¾	2	5.3	Burt, F. N.	325	38	38	36½	38
				C					
84¾	80	6	7.5	Calgary Pr.	....	80	..	..	..
5½	2	.	...	Canada Bread	2435	3¾	4	3½	4
92	63	1	...	Do. pref. A.	70	90	90	90	90
30	17	.	...	Do. pref. (B)	142	28	30	28	30
9	5½	20c	...	Canada Bud	2220	6¾	7	6½	7
8½	5	.	...	Canada Cement	2670	6¾	6¾	6½	6½
64½	49¾	.	...	Do. pref.	704	58½	59	57	58½
60½	55	1.50+50c	3.4	C. & D. Sug.	....	58¾	..	..	..
16¾	8½	.	...	Canada Dry	11800	13½	14	13	13½
7	2	.	...	Can. Forg. (A)	....	6	..	..	..
1½	1½	.	...	Do. (B)	....	1½	..	..	..
35	18	.	...	Canada Iron	....	30	..	..	..
55	50	3	5.9	Do. pref.	....	51	..	..	..
450	450	20	4.4	Canada Life	....	450	..	..	..
36	29	1.50	4.3	Can. Malting	2773	34¾	36	34½	35¾
24½	17½	1.20	5.2	Can. Nor. Pr.	850	23¾	23⅞	22½	23¾
111	98½	7	6.4	Do. pref.	113	108	111	109	110
82½	50	75c	...	Can. Packers	135	82½	82½	82	82
115	110	7	6.3	Do. pref.	80	110	111	111	111
85	60	.	...	Can. Paper pf.	25	75	85	85	85
.05	.05	.	...	Can. Paving	....	.05	..	..	..
3¾	2	.	...	Do. pref.	....	2	..	..	..
150	119	8	6.3	Can. Perman.	72	127	128	125	128
2½	1	.	...	Can. Steamsh's.	325	1½	1¾	1½	1¾
11¾	6	.	...	Do. pref.	642	8	8	7½	8
29	23	1.60	6	Can. Vinegars	535	27	27½	27	27
20	13½	.	...	Can. W. Cable	....	13½	..	..	..
8	4½	.	...	Do. (B)	40	5	6	5	6
2½	1	.	...	Can. Bakeries	....	2	..	..	..
28	13	.	...	Do. pref.	50	28	28	28	28
169½	120	8	5.4	Can. Bk. Com.	100	147	148	145	145
32	26	60c	1.9	Can. Bronze	30	30½	30½	30	30½
117	110	7	6.2	Do. pref.	5	115	114	114	114
6¾	3½	.	...	Can. Canners	246	5	5½	4¾	5¾
94	75	6	6.7	Do. 1st pfd.	90	84¾	89	84¾	89
9¾	4½	.	...	Do. 2nd. pfd.	1050	7¾	7¾	7½	7
8¾	4¾	.	...	Can. Car & Fd'y	2508	5½	6½	5½	6
17	10½	.	...	Do. pref.	1606	11¾	12½	11½	12
24½	18½	.	...	Can. Celanese	1437	24	24½	23½	24
120	100	7	5.9	Do. pref.	610	116½	118	116½	118
20½	18	.	...	Do. Rights	940	19½	20	19½	19½
32	25	2	8	Can. Convert.	10	25	25	25	25
68	36	4	8.2	Can. Cottons	....	48½	..	..	..
105	93½	6	6	Do. pref.	150	100	100	100	100
38	19½	75c	2	Can. Dredge	1098	36	37½	36	37½
113	106	7	6.2	Do. pref.	10	113	112	112	112
90	85	6	6.7	Can. Fairb. pf.	....	90	..	..	..
30	18	1.60	7	Can. For. Inv.	110	25	25	23	25
107½	103	8	7.5	Do. pref.	....	107	..	..	..
165	145	3	1.9	Can. Gen. Elec.	25	155	165	160	165
6½	6½	40c	...	Can. G. Inv.	....	6½	..	..	..
82½	37	6	13.3	Can. Hyd. El p.	657	44	45	44	45
13¾	6¾	.	...	Can. Ind. Alc.	107509	9½	13¾	10½	12¾
12	6	.	...	Do. (B)	34724	8	12	8½	10¾
198½	178½	4+75c	2.4	Can. Indust. B.	....	193	..	..	..
166½	148	7	4.2	Do. pref.	5	163	166½	166½	166½
2	2	.	...	Can. Int. I. Tr.	....	2	..	..	..
25	20	.	...	Do. pref.	....	25	..	..	..
30	21	1	4.8	Can. Lt. & Pr.	....	21	..	..	..
4	2	.	...	Can. Locomo.	....	2½	..	..	..
2½	1	.	...	Can. Marconi	23400	1¾	2½	1¾	2½
15	11	50c	3.7	Canadian Oil	190	14½	14	13½	13½
127	113	8	6.6	Do. pref.	15	122	125	122	125
13¾	8¾	.	...	Can. Pacific	53232	10	12½	10	12
.15	.10	.	...	C. Pr. & Pa Inv	....	.10	..	..	..
4½	3½	.	...	Do. pref.	100	3½	3½	3½	3½
2.00	1.00	.	...	Can. Vickers	10	1.95	2.00	2.00	2.00
16	6½	.	...	Do. pref.	....	10	..	..	..
6	2½	20c+5c	6	Can. Wineries	211	3½	4	3½	3½
19½	15	25c▲	...	Can. Wire Box.	1195	18	18½	18	18½
19½	9	.	...	Catelli Mac (A)	349	17	19½	17	18½
2½	1½	.	...	Do. (B)	....	2½	..	..	..
†245	245	8	...	Cent. Can. L'n.	....	..	..	..	..
2.35	.55	.	...	Chem. Research	2000	.75	.80	.70	.80
2½	1½	.	...	City Gas & Elec	....	1½	..	..	..
.45	.20	.	...	Claude Neon	525	.35	.45	.40	.40
17	12½	92c	5.3	Coast Brew.	665	16¾	16¾	16½	16¾
9¾	6	.	...	Cockshutt Plow	6690	8½	8¾	7½	8½
.90	.45	.	...	Comm. Alcohol	1380	.70	.90	.70	.90
1.00	.25	.	...	Conduits	....	.25	..	..	..
61	48	.	...	Do. pref.	....	50	..	..	..
17½	11½	20c	...	Cons. Bakeries	720	17	17	16½	16½
2.12	.70	.	...	Cons. Paper	5418	1.10	1.45	1.05	1.35
7	5	.	...	Cons. Press	....	7	..	..	..
28½	25	.	...	Cons. Sand, pf.	....	25	..	..	..
196	125½	1.25	...	Cons. Smelters	2804	191	198	189	195
193	184	10	5.3	Consumers' Gas	289	191	191	189½	190
90	30	1.75	...	Corr. P. Box p.	25	86	85	84½	84½
7	5	.	...	Cosgrave Brew.	....	7	..	..	..
20½	14¾	52½c	...	Cosmos Imp.	2030	19	20½	19	20
108	102¾	7	6.7	Do. pref.	128	105	105½	105	105
2½	1½	.	...	Crown Dom. Oil	....	2½	..	..	..
29	25	2	...	Crow's N. Coal.	....	27	..	..	..
				D					
1	1	.	...	David & Fre. B	....	1	..	..	..
4	1¾	.	...	Do. (A)	....	1¾	..	..	..
2½	1½	.	...	De Havilland	....	2	..	..	..
30½	30	.	...	Do. (A)	....	30½	..	..	..
9	5	.	...	Disher Steel	....	..	..	..	..
6½	6½	.	...	Do. pref.	....	6½	..	..	..
37¾	13½	.	...	Distill-Seagram	47425	33½	37¾	33½	37
201½	141	10	5.7	Dom. Bank	24	182½	182½	173	174
34	24½	1.20	3.7	Dom. Bridge	2985	33½	33½	30½	30½
18¾	14¾	75c	...	Dom. Coal, p.	4093	16½	16¾	15¾	16½
23	17	.	...	Dom. Engineer.	....	23	..	..	..
120	90	5	5	Dom. Glass	91	95	100	95	95
145	129½	7	5.3	Do. pref.	35	132	140	140	140
.10	.10	.	...	Dom. Motors	....	.10	..	..	..
36	32	.	...	Dom. Oilcloth	100	36	36	36	36
1	1	.	...	Dom. Pr. Stubs.	....	1	..	..	..
85½	80	7	8.2	Dom. Rubber, p	....	85½	..	..	..
6	3½	.	...	Dom. St. & C.B.	5827	5	5	4½	5
12½	6¾	.	...	Dom. Stores	1421	9½	9¾	9	9½
7¾	3½	.	...	Dom. Tar & Ch.	1655	4¾	5	4¾	4¾
72	42	.	...	Do. pref.	300	62	60	57	58
82½	60	5	7.2	Dom. Textile	830	72½	72	67	70
150	130	7	4.7	Do. pref.	1	149	150	150	150
4½	1½	.	...	Donnacona P. A.	....	1½	..	..	..
.80	1.00	.	...	Do. (B)	....	1.80	..	..	..
5¾	3	.	...	Dryden Paper	850	4½	4¾	4½	4¾
				E					
2½	1	.	...	East. Koot. Pr.	....	1	..	..	..
14	5	.	...	Do. pref.	....	6	..	..	..
3½	1¾	.	...	East. Dairies	255	2½	3½	3	3½
20	12	.	...	Do. pref.	190	13½	20	17	20
10	5	.	...	East. Steel	120	8½	10	8	10
90½	80	7	7.8	Do. pref.	10	80	89¾	89¾	89¾
8	7½	.	...	East. Theatres	....	7½	..	..	..
85	58½	7	8.2	Do. pref.	....	85	..	..	..
3½	1	.	...	Easy Washing.	10	1½	1¾	1¾	1¾
20	13½	25c	...	Economic Inv.	250	15	18	17	17
15	15	.	...	Edmonton D'y	....	..	..	..	..
80	78¾	6.50	...	Do. pref.	....	..	..	..	..
1	1	.	...	Enamel & Heat.	....	1	..	..	..
12	7	.	...	Eng. Electric	75	12	10	10	10
6¾	3	.	...	Do. (B)	350	5	6½	5	6
9	6½	30c	...	European El. A	....	7	..	..	..
				F					
16½	10	50c	...	Fam. Players	....	16	..	..	..
17	14	.	...	Do. Vot. Tr.	....	17	..	..	..
13½	7¾	50c	3.8	Fanny Farmer	10996	12	13½	11¾	13½
32½	23½	50c	2	Ford Motors A.	27668	29	29½	25¾	27¾
25	.50	.	...	For. Pr. Secs.	....	.60	..	..	..
13¾	9¾	.	...	Foundation Co.	350	12	13	12	13
7¾	2½	.	...	Fraser Cos.	450	4½	7¾	4¾	7¾
6½	1¾	.	...	Do. Vot. Tr.	635	4	6½	4	6½
61	54	6	10.9	Freiman, pf.	....	55	..	..	..
4	2	.	...	Frost Steel	....	3	..	..	..
86	68	1.75▲	...	Do. pref.	....	80½	..	..	..
				G					
5½	3	.	...	Gen. St. Wares.	1261	4½	4½	4	4½
55	35	.	...	Do. pref.	1255	49	49	45	45
72½	59	62c	...	Goodyear Tire	388	66½	66½	65	65
55½	51½	2.50	4.5	Do. pref.	542	55½	55½	54½	55
1½	¾		...	Gt. W. Saddlery	....	1	..	..	..
20	14	.	...	Do. pref.	....	15	..	..	..
6¾	4	.	...	Gurd, Chas.	535	5½	5½	5	5
90	80	7	7.4	Do. pref.	50	100	95	95	95
7¾	4½	.	...	Gypsum, Lime.	9065	6¾	6¾	6	6½
				H					
5½	3	.	...	Ham. Bridge	200	4½	4¾	4½	4½
23	18	.	...	Do. pref.	40	21	23	21	22
27½	24	1.50	...	Ham. Cot. pf.	110	25	25	24½	25
2½	2	.	...	Ham. U. Theat.	....	2	..	..	..
60	48	4	8	Do. pref.	45	50	52	50	50
3½	2½	.	...	Harding Carpet	910	3½	3½	3	3
12	10	12½c	...	Hinde & Dauch.	10	12	12	12	12
6	5	.	...	Holt Renfrew	....	5	..	..	..
30	25	.	...	Do. pref.	....	25	..	..	..
.60	.15	.	...	Honey Dew	25	.50	.50	.40	.50
8	6	.	...	Do. pref.	10	7	7	7	7
13	9	.	...	H. Smith Pap.	1111	12¾	12¾	12	12¾
107	84	.	...	Do. pref.	529	100½	107	100	107
35	28	2	5.7	Humberstone S.	25	35	35	35	35
11	6	.	...	Hunts (A)	....	6	..	..	..
11	7	.	...	Do. (B)	15	7	7	7	7
103	80	6	7.5	Huron & E. Mt.	66	83	84	80	80
17½	14	.	...	Do. 20% pd.	97	14¾	15	14½	14½
4¾	3	.	...	Hydro Electric	....	4¾	..	..	..
				I					
208½	157	10	5.6	Imperial Bank	83	180	181¾	178	181¾
22¾	15½	50+75c	5.7	Imperial Oil	40441	21¾	22½	20¾	21½
14½	12	52½c	3.9	Imperial Tob.	5070	13½	13½	13½	13½
7½	6¾	6%	...	Do. pref.	....	7½	..	..	..
20½	17	1	...	Inter City Bak.	20	20½	18	18	18
42	25	3	...	Inter'c Coal	....	40	..	..	..
100	100	8	8	Do. pref.	....	100	..	..	..
4¾	1½	.	...	Int. Hyd. E. A.	7000	3¾	3¾	3½	3½
6	2	.	...	Int. Metal Ind.	470	3¼	3¼	3¼	3¼
45	25	.	...	Do. pref.	70	30	35	32	32
103½	99	7	...	Inter. Mill., pf.	169	103	103½	103	103½
38½	22½	.	...	Inter. Nickel	94722	34¾	38½	34¾	37¾
4½	2	.	...	Inter. Paints	....	2	..	..	..
20	18½	.	...	Do. pref.	....	18½	..	..	..
b3½	1½	.	...	Int. Pa. & P. A.	2600	2½	3	2¾	3
b1¾	¾	.	...	Do. (B)	800	1½	1¾	1½	1¾
b1½	¾	.	...	Do. (C)	4300	¾	1½	1	1½
b18	4½	.	...	Do. pref.	27100	14½	17½	13¾	16¾
39½	28½	1.50+1	6.6	Inter. Pete.	47822	38½	39	35¾	38
6	1	.	...	Inter. Power	75	3	3	3	3
64	40	1	...	Do. pref.	258	49	55	50	55
13¾	12½	.	...	Inter. St. Rly. A	....	13¾	..	..	..
2	2	.	...	Do. (B)	....	2	..	..	..
4½	1½	.	...	Int. Util. (A)	145	2½	3¾	3¾	3¾
.85	.25	.	...	Do. (B)	350	.60	.60	.50	.50
				J					
30	22	1.50	5	Jam. Pub. Ser.	....	30	..	..	..
125	115	7	5.6	Do. pref.	....	125	..	..	..
				K					
8¾	6½	.	...	Kelvinator	60	6½	7	6½	6½
107	102	7	6.6	Do. pref.	....	106½	..	..	..
				L					
13½	7	.	...	Lake of Woods.	591	12¾	13	12½	13
111	80	.	...	Do. pref.	218	100	111	105	111
75	54	5	9.2	Landed Bank.	....	54	..	..	..
4	3½	.	...	Langley's	....	3½	..	..	..
80	60	7	11.7	Do. pref.	....	60	..	..	..
66	59	3	4.6	Laura Secord	440	64	66	64½	65
5	2½	.	...	Lindsay, C. W.	....	3¾	..	..	..
40½	39	.	...	Do. pref.	....	40	..	..	..
19½	16½	1	5.4	Loblaw (A)	1547	18¾	18½	18½	18½
18½	16	1	5.9	Do. (B)	1354	17¾	17½	16¾	16¾
7½	6¾	.	...	Louisiana Land	....	6¾	..	..	..
				M					
3½	3½	.	...	MacKin. Steel	....	3½	..	..	..
†95	90	.	...	Do. pref.	....	..	..	..	..
2½	2	.	...	Manitoba Pr.	....	2	..	..	..
1.00	.50	.	...	M. L. Gardens.	5	.75	.75	.75	.75
4¾	3½	.	...	Do. pref.	25	4	4¾	4¾	4¾
1.50	.40	.	...	Maple Leaf	1182	1.25	1.25	1.00	1.05
5	1	.	...	Do. pref.	55	2½	4	3	3½
12¾	12	60c	4.7	Maritime Tel.	....	12¾	..	..	..
15	14½	70c	4.7	Do. pref.	....	14¾	..	..	..
20	14	.	...	Marcus Loew's.	....	16½	..	..	..
115	108½	7	6.3	Do. pref.	....	111½	..	..	..
7¾	3½	.	...	Massey-Harris	52510	5¾	7¾	5	7
35½	18½	.	...	Do. pref.	3723	33	35½	29	35½
15¾	11¾	80c	6.2	McColl Fron.	4490	13½	13½	12¾	12¾
100¾	94	6	6.1	Do. pref.	680	98	99	97½	98½
14½	7	.	...	Melchers (A)	7547	10½	14½	10½	13½
7	2½	.	...	Do. (B)	3195	4	7	4	6½
10	8½	.	...	Mercury Mills p	....	10	..	..	..
27	20	1	...	Mitchell, J. S.	....	23	..	..	..
101	101	7	6.9	Do. pref.	....	101	..	..	..
7½	3½	.	...	Mitchell, Robt.	940	6	7½	6	7
5	2½	.	...	Monarch Knit.	10	5	2½	2½	2½
90	71½	7	7.9	Do. pref.	....	89	..	..	..
30	20	.	...	Montreal Cot.	50	23½	30	30	30
97	73	7	8.7	Do. pref.	60	85	80	80	80
1½	½	.	...	Montreal Exhib.	....	..	..	..	..
1.30	1.00	.	...	Mont. Is. Pr.	....	1.30	..	..	..
36	26¾	1.50	4.2	Mont. L. & Pr.	9178	35	36	34½	35¾
32	30	2.50	8.3	Montreal Loan.	....	30	..	..	..
9	6¾	.	...	Mtl. Ref. & S.P.	125	9	9	9	9
2	1½	.	...	Do. Vot. Tr.	125	2	2	2	2
58	54½	3.20	5.5	Montreal Tele.	11	58	58	57	58
99	80	9	9.2	Montreal Trams	198	97	97½	97	97½
28¾	17½	50c	1.8	Moore Corp.	975	28	28¾	28	28¼
149	118½	7	4.7	Do. pref. (A)	61	147	149	148	149
180	135	7	3.9	Do. pref. (B)	20	175	180	177	178
1.10	.25	.	...	Muirheads	200	.50	.35	.35	.35
6	3	.	...	Do. pref.	....	3	..	..	..
				N					
39½	31	1.60	4.1	Nat. Breweries.	3020	38½	39½	38	39
44	38	1.75	4	Do. pref.	50	42	44	44	44
7½	4½	.	...	Nat. Grocers	6773	6¾	7½	6½	6¾
135	121	7	5.2	Do. pref.	55	130	135	130	135
22	14½	.	...	N. Sew. Pipe A	45	16½	16¾	16¾	16¾
18½	12½	.	...	Nat. Steel Car.	745	14	14	13¾	13¾
204	175	8	4.1	National Trust	....	195	..	..	..
22	15	1	4.5	Niag. W. Weav.	....	22	..	..	..
52	45½	3	5.9	Do. pref.	....	51	..	..	..
1.90	.60	.	...	North Star Oil.	....	.60	..	..	..
4.00	1.50	.	...	Do. pref.	....	2.90	..	..	..
				O					
190	140	8	4.6	Ogilvie Flour	237	174	174	170	173
152	130	7	4.8	Do. pref.	5	145	146½	146½	146½
8½	5½	.	...	Ont. Eq. 10% pd	242	6¾	6½	6	6
115	107½	6	5.4	Ontario Loan	....	110½	..	..	..
18	8	.	...	Ont. Silknit	22	15½	15½	14	14
99¾	75	1.75	...	Do. pref.	4	99	95	94	94
6½	5	.	...	Ont. Steel	....	5	..	..	..
.35	.10	.	...	Orange Crush	....	.10	..	..	..
17	6	.	...	Do. 1st pref.	....	15	..	..	..
.55	.20	.	...	Do. 2nd pref.	....	.45	..	..	..
18	5	.	...	Ottawa Car	....	..	..	..	..
86	74	6	7	Ott. L. H. & Pr.	35	85	86	85	86
107	100	6.50	6.2	Do. pref.	15	102½	104	104	104
22	14	2	...	Ott. Traction	45	20	20	18	18
				P					
88	75	3	3.7	Page Hersey	245	81½	82¾	81	81
3¾	3½	.	...	Pantepec Oil	335	3½	3¾	3½	3½
17	17	.	...	Paton Mfg.	....	17	..	..	..
98	94	7	7.2	Do. pref.	....	98	..	..	..
63½	41	3	6.6	Penmans	70	45	45½	45	45
116	106½	6	5.2	Do. pref.	....	116	..	..	..
25	20½	1	4	Photo Eng.	145	24¾	24¾	24¾	24½
91	70	7	8.7	Porto Rico Pr. p	20	78	80	80	80
12	6½	.	...	Power Corp.	7239	11½	12	10¾	11¾
98	80	6	6.2	Do. pref.	129	98	98	96	97½
2.50	.80	.	...	Prairie C. Oil	....	1.00	..	..	..
19	6	12½c	...	Pressed Metals.	1142	17	19	16¾	19
3.87	1.50	.	...	Price Bros.	5025	1.75	2.12	1.70	2.00
33¾	14	.	...	Do. pref.	465	15¾	19	15½	19
				Q					
17½	13	1	6.2	Quebec Power	1610	16½	16½	15¾	16½
				R					
58	40	2	5	Real Estate L'n.	....	40	..	..	..
7	4½	.	...	Regent Knit.	655	5¾	5¾	5¾	5½
5	2	.	...	Reliance Grain.	10	5	5	5	5
30	27	1	3.4	River. S. Mills.	325	29½	29½	29	29½
9	5½	.	...	Rogers Majest.	5810	7	7½	6½	6¾
93	83	6	6.4	Rolland P. pf.	30	93	93	92½	92½
173½	133½	8	5	Royal Bank	363	160	161	157	160
30	20	.	...	Russell Motor	....	25	..	..	..
96	70	7	7.6	Do. pref.	6	92	94	92	92
				S					
5	2	.	...	Sarnia Br. (A)	....	5	..	..	..
1	1	.	...	Do. (B)	....	1	..	..	..
22½	14½	50c	2.3	Shawinigan	13933	20¾	22½	20¾	22½
17	9½	.	...	Sher. Wms.	1195	13	13	12	13
110	100	1.75▲	...	Do. pref.	130	103	108	106	108
14	8	.	...	Simon & Son	110	9	9½	9½	9½
109½	90	.	...	Do. pref.	....	92	..	..	..
90	62	4	5.2	Simpson, Ltd.	330	76¾	77	76	76½
12	9	.	...	Do. (A)	....	12	..	..	..
11	5	.	...	Do. (B)	39	10	10	10	10
109	103	6	5.6	Simpson, R., pf.	....	106½	..	..	..
14½	9½	80c	5.9	So. Can. Pr.	482	13¾	14	13½	13½
100	82	6	6	Do. pref.	137	98½	100	99	99
1.90	.60	.	...	St. Law. Corp.	1185	1.15	1.50	1.15	1.45
8¾	3	.	...	Do. (A)	1215	5¾	7½	6½	6¾
39½	30	2	5.7	St. Law. Flour.	13	32½	35	33	33
125	113	7	5.9	Do. pref.	....	119	..	..	..
16½	8½	.	...	St. Law. Pap. p.	1500	12	14½	12	14½
7	4	.	...	Stand. Chem.	15	5	5½	5½	5½
1.75	.70	.	...	St. Pav. & Mat.	595	1.00	.95	.95	.95
15	9	.	...	Do. pref.	....	13	..	..	..
25	20	.	...	Stand. Steel, pf.	....	25	..	..	..
54	42	1.75	3.3	Steel of Can.	1960	53½	53¾	52½	53¾
49	41	1.75	3.6	Do. pref.	116	49	49	48½	48½
4	2	.	...	Sterling Coal	500	3½	3½	3½	3½
4¾	4¾	.	...	Stop & Shop	....	4¾	..	..	..
3	1½	.	...	Supersilk, H.	....	1¾	..	..	..
70	58½	3.50	5.2	Do. pref.	5	65	67	67	67
31½	21½	1	3.3	Sup. Pete. ord.	20	30	30	30	30
29	23	1	3.4	Do. com.	....	29	..	..	..
115	110	7	6.3	Do. pref.	....	111	..	..	..
				T					
34	23	.	...	Tamblyn	....	32	..	..	..
114	110	7	6.2	Do. pref.	10	110	112	112	112
6	2	.	...	Thayers	25	3	2	2	2
41	33	3.50	10.6	Do. pref.	....	33	..	..	..
2½	1	.	...	Thrift Stores	....	2½	..	..	..
13	5	.	...	Do. pref.	....	3½	..	..	..
12¾	7	.	...	Tip Top Tailors	130	8½	8¾	8½	8½
98½	90	7	7.2	Do. pref.	35	97	97	96	96
†22	10	.	...	Tooke Bros.	....	..	..	..	..
15	10	.	...	Do. pref.	....	10	..	..	..
42	32½	1	2.6	Tor. Elevators	120	38	39	38	38
129½	108	7	5.9	Do. pref.	185	119	119	116	116
125	80	4	4.8	Tor. Gen. Tr.	16	80½	83	80½	83
121	110	6	5	Toronto Mtge.	8	120	120	120	120
146	133½	7	4.8	Tuckett Tob. p.	80	146	145	144	145
5½	2	.	...	Twin City	40	4½	5½	5	5
b42	18	.	...	Do. pref.	....	..	..	..	..
				U					
10	3½	.	...	Union Gas	11667	8¾	10	8¾	9
11½	9	.	...	Un. Amuse. A.	....	10½	..	..	..
†7½	7½	.	...	Do. (B)	....	..	..	..	..
1.40	.50	.	...	United Distill.	4835	.75	1.15	.70	1.15
13	3	.	...	United Fuel	....	..	..	..	..
29	15½	.	...	Do. pref.	195	23	23¾	23	23
30	23	2	8	United Secs.	....	25	..	..	..
5	2	.	...	United Steel	2315	3	4	3	3½
				V					
2.00	1.00	.	...	Viau Biscuit	5	1.75	1.50	1.50	1.50
20½	13	.	...	Do. pref.	50	16	16½	16½	16½
				W					
27	16	.	...	Wabasso Cot.	....	25	..	..	..
35	23	.	...	Walker-Good.	36948	30½	35	30½	34
18½	16¾	1	5.6	Do. pref.	4543	17½	18	17½	18
4.25	2.00	.	...	Walkerville Br.	3755	3.40	3.50	3.25	3.50
2.75	1.00	.	...	Waterloo Mfg.	135	1.75	1.80	1.75	1.75
6	2¾	.	...	West. C. Flour.	40	5	5¾	5½	5¾
82	20	.	...	Do. pref.	4	40½	38	38	38
45½	32	2	4.4	West. Grocers	....	45½	..	..	..
105	95	7	6.7	Do. pref.	....	105	..	..	..
120	120	7	5.8	W. Koot. Pr. pf.	....	120	..	..	..
17	13¾	60c	4	Weston Ltd.	1080	15	15	14¾	15
115	108	7	6.2	Do. pref.	....	114	..	..	..
8¾	1½	.	...	Whittall Can.	170	8½	8¾	8½	8¾
113	75	6.50	5.7	Do. pref.	62	112½	113	112	113
3	1	.	...	Windsor Hotel	....	1	..	..	..
8	4	.	...	Do. pref.	....	4	..	..	..
2.50	.90	.	...	Winnipeg Elec.	2030	2.25	2.75	2.00	2.75
12	4	.	...	Do. pref.	153	10	12	10½	11
30	20½	.	...	Wood, A & J. p	30	30	30	25	25
70	45	.	...	Woods Mfg. pf.	5	46	46	46	46
				Z					
5½	2½	.	...	Zimmerknit. c.	....	2¾	..	..	..
85	63½	.	...	Do. pref.	....	63½	..	..	..

‡ Quotations for 1934. No sales recorded in 1935 to date.
§ Quotations for 1933. b New York Quotations.
† Quotations for 1931. ▲ On account of arrears.

Dominion and Provincial Bonds

(Furnished by Toronto Bond Traders' Assoc.)

November 20, 1935

Dominion of Canada Bonds

			Bid Nov. 20	Asked Nov. 20	Approx. Yield	Bid Nov. 13
Dominion .. 2	15 Oct.	1936	100.00	100.60	1.34	100.00
Dominion .. 5	15 Nov.	1936	102.75	103.75	1.18	102.75
†‡Dominion .. 5	1 Mar.	1937	105.75	106.75	...	105.75
‡Dominion .. 5½	1 Dec.	1937	107.00	108.00	1.50	107.00
Dominion .. 2½	15 Oct.	1939	101.00	102.00	1.97	101.00
Dominion .. 4	15 Oct.	1939	106.00	107.00	2.13	106.00
Dominion .. 4½	1 Sept.	1940	108.50	109.50	2.39	108.65
Dominion .. 5	15 Nov.	1941	109.75	110.75	3.03	109.65
Dominion .. 3	15 Oct.	1942	101.65	102.65	2.58	101.25
Dominion .. 2½	1 June	1943	99.50	100.50	2.43	99.25
Dominion .. 5	15 Oct.	1943	110.75	111.75	3.30	110.50
Dominion .. 4½	15 Oct.	1944	108.25	109.25	3.29	108.25
Dominion .. 4	15 Oct.	'43-45	105.00	106.00	3.14▲	105.00
Dominion .. 4½	1 Feb.	1946	108.25	109.25	3.42	108.35
Dominion .. 3½	15 Oct.	'44-49	101.50	102.50	3.17▲	101.50
Dominion .. 4	15 Oct.	'47-52	105.00	106.00	3.39▲	105.00
Dominion .. 3	1 June	'50-55	97.50	98.50	3.10	97.75
Dominion .. 4½	1 Nov.	'46-56	107.00	108.00	3.61▲	107.00
Dominion .. 4½	1 Nov.	'47-57	107.00	108.00	3.67▲	107.00
Dominion .. 4½	1 Nov.	'48-58	107.25	108.25	3.69▲	107.35
Dominion .. 4½	1 Nov.	'49-59	107.35	108.35	3.73▲	107.50

Dominion Guaranteed Bonds

			Bid	Asked	Approx. Yield	Bid Nov. 13
*G. T. P. Ry. 3	1 Jan.	1962	98.50	99.50	3.03	98.50
Can. N. Ry. 3	1 May	1944	99.75	100.75	2.90	99.75
Can. N. Ry. 3	15 Dec.	'45-50	98.00	99.00	3.09	98.00
*Can. N. Ry. 4½	1 Sept.	1951	109.75	110.75	3.61	109.75
*Can. N. Ry. 4½	1 Feb.	1956	110.00	111.00	3.73	110.00
†Can. N. Ry. 4½	1 July	1957	108.75	109.75	3.84	108.75
*Can. N. Ry. 4¾	15 June	1955	112.50	113.50	3.78	112.50
Can. N. Ry. 5	1 Feb.	1954	113.50	114.50	3.89	113.25
*Can. N. Ry. 5	1 July	1969	113.00	114.00	3.60▲	113.25
*Can. N. Ry. 5	1 Oct.	1969	114.75	115.75	3.81▲	114.75
*M. Harb. C. 5	1 Nov.	1969	115.00	116.00	3.79▲	114.75

Provincial Government Bonds

			Bid	Asked	Approx. Yield	Bid Nov. 13
Eastern—						
†N. Bruns. .. 4½	15 Apr.	1961	108.25	109.25	3.92	108.00
†N. Bruns. .. 5	15 Jan.	1960	112.75	113.75	4.11	112.00
N. Bruns. .. 5½	15 May	1950	112.50	113.50	4.24	112.00
N. Scotia .. 4½	15 May	1943	106.50	107.50	3.36	106.75
†N. Scotia .. 4½	15 Sept.	'47-52	108.00	109.00	3.57▲	108.00
N. Scotia .. 4½	15 May	1961	109.50	110.50	3.85	109.25
†N. Scotia .. 5	1 Mar.	1960	113.50	114.50	4.06	113.00
*Ontario 4	1 June	1962	104.00	105.50	3.67	104.00
*Ontario 4½	1 Sept.	1944	108.50	110.00	3.20	108.00
Ontario 4½	1 June	1950	106.75	107.75	3.80	107.25
*Ontario 4½	15 Jan.	1962	109.50	111.00	3.83	109.00
Ontario 5	15 Oct.	1948	110.75	111.75	3.84	110.50
*Ontario 5	2 Dec.	1960	113.50	115.00	4.02	113.50
Ontario 5½	1 July	1946	113.50	114.50	3.84	113.00
O. H. C. 3½-4-5	1 Oct.	'33-52	100.25	101.25	4.31●	100.50
*Ont. Hyd. C. 4	1 Aug.	1957	103.50	105.00	3.66	102.50
Ont. Hyd. C. 4¾	1 Jan.	1970	107.50	109.00	4.25	107.00
Quebec 4	15 Mar.	1952	106.50	107.50	3.40	106.50
Quebec 4¼	1 Aug.	1958	109.50	110.50	3.57	109.50
Quebec 4½	2 Jan.	1963	111.50	112.50	3.76	111.00
Western—						
†Alberta 4	1 Dec.	1957	88.00	89.50	4.78	87.00
†Alberta 4½	1 Oct.	1956	92.00	93.00	5.04	90.00
†Alberta 5	1 Jan.	1948	97.00	98.50	5.17	96.50
Alberta 5	1 Sept.	1955	94.25	95.25	5.39	94.00
*Alberta 5	1 Oct.	1959	97.25	98.25	5.13	96.00
†Alberta 5½	1 Jan.	1947	99.50	100.50	5.44	99.50
Alberta 6	1 Mar.	1947	99.50	100.50	5.94	99.00
†Brit. Col. .. 4	1 Dec.	1957	93.50	94.50	4.39	92.00
*Brit. Col. .. 4½	15 Jan.	1951	98.25	99.25	4.56	97.50
†Brit. Col. .. 4½	1 Oct.	1953	97.50	98.50	4.63	96.50
†Brit. Col. .. 5	15 Jan.	1948	101.00	102.00	4.78	100.50
Brit. Col. .. 5	1 Sept.	1953	100.25	101.25	4.89	99.75
Brit. Col. .. 5½	1 Feb.	1945	101.00	102.00	5.23	100.75
Brit. Col. .. 6	15 Feb.	1947	102.50	103.50	5.57	102.25
†Manitoba .. 4	1 Dec.	1957	99.00	100.00	4.00	99.00
†Manitoba .. 4½	15 Dec.	1956	102.50	104.00	4.45	102.00
†Manitoba .. 5	15 June	1954	107.50	109.00	4.29	106.00
*Manitoba .. 5	2 Dec.	1959	108.50	110.50	4.29	106.50
Manitoba .. 5½	1 Oct.	1955	106.50	107.50	4.91	105.50
Manitoba .. 6	1 Apr.	1947	107.00	108.00	5.07	106.00
Sask. 4	15 Aug.	1953	87.50	88.50	4.97	87.00
*Sask. 4½	2 July	1945	97.00	98.50	4.70	96.50
†Sask. 4½	1 Oct.	1951	95.50	96.50	4.81	95.00
Sask. 5	1 Aug.	1958	99.50	100.50	4.96	99.50
†Sask. 5½	15 Nov.	1946	102.25	103.25	5.11	101.75
Sask. 6	15 Mar.	1952	105.50	106.50	5.39	105.00

Municipal Bonds

			Bid	Asked	Approx. Yield	Bid Nov. 13
†Calgary 5½	2 June	1944	78.00	82.00	8.51	75.00
†Edmonton . 5½	1 Nov.	1945	85.00	88.00	7.20	84.00
†Halifax 5	1 July	1961	112.00	114.00	4.11	112.00
Hamilton .. 5	1 May	1950	106.75	109.75	4.10	100.00
Montreal .. 5	1 Mar.	1945	105.50	106.50	4.15	105.50
Ottawa 4½	1 July	1945	105.50	108.50	3.46	105.00
†Quebec 5	1 June	1959	107.50	108.50	4.41	107.50
Regina 5	1 July	1944	80.00	85.00	7.35	75.00
St. John ... 5	15 Dec.	1950	107.50	108.50	4.23	107.50
†Toronto 4½	1 Jan.	1955	107.00	110.00	3.77	107.00
Vancouver . 5	1 June	1969	92.00	95.00	5.32	90.00
Victoria ... 5	21 July	1945	94.00	97.00	5.39	93.00
Winnipeg .. 5	1 Mar.	1944	102.50	104.50	4.35	102.00

Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ●Calculated to maturity, although callable prior to that date. ‡Exempt from Dominion income tax.

The Financial Post's Quotations

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Mining Stock Quotations

WEEK ENDING NOVEMBER 18

Par Val.	Range 1935 High	Low	Company	Sales	Close Nov. 11 (or last)	High for week	Low for week	Close Nov. 18
1	.77½	.38	Afton	14,900	.60	.61	.55	.61
No	.11	.04	Aldermac	5,490	.04½	.05	.04½	.04½
1	.02¾	.00¾	Alexandria	8,000	.01	.01	.00¾	.01
No	.57	.35	Algold	4,700	.40	.49½	.35	.49½
No	.08½	.02½	Algoma	41,500	.04	.05½	.04	.05
No	4.50	3.55	Anglo-Huronian	2,768	4.25	4.40	4.25	4.35
No	.04	.01½	Arno	1,000	.02	.02	.02	.02
1	1.19	1.00	Arntfield	1,500	1.08	1.05	1.02	1.05
1	.32	.06½	Ashley	1,300	.13	.16	.12½	.16
1	.08	.02	Astoria Rouyn	1,600	.02½	.02½	.02	.02
1	.14	.03	Bagamac	21,500	.05½	.05½	.05	.05
1	.08½	.02½	Barry Hollinger	4,000	.04½	.04½	.04½	.04½
No	.94	.13	Base Metals	35,000	.18½	.24	.17	.21
1	1.06	.14	B.E.A.R.	86,500	.70	.73	.68	.69
No	2.16	1.25	Beattie Gold	2,100	1.60	1.51	1.35	1.50
1	.75	.30	Big Missouri	18,006	.66	.67	.60	.65
1	.38	.18	Bobjo	26,897	.19½	.20	.18	.19½
No	12.50	4.25	Bralorne	7,671	5.50	6.30	5.35	5.85
1	.61	.20	Brazil Gold	1,200	.40	.40	.37	.37
1	.03	.01½	Brett Trethewey	2,000	.01½	.01½	.01½	.01½
50c.	.24	.07	B.R.X. Gold	3,600	.09	.09½	.08	.08
1	3.50	2.35	Buffalo Ankerite	20,630	2.85	3.25	2.80	3.17
No	.03½	.00¾	Buffalo Can.	1,000	.02	.01	.01	.01
5	38.15	30.00	Bulolo Gold	1,300	30.00	32.75	30.25	32.75
No	.08½	.03	Bunker Hill	11,860	.07½	.07½	.06	.07½
1	.03½	.01	Can. Kirkland	1,000	.01½	.01	.01	.01
No	.85	.54	Can. Malartic	72,287	.74	.85	.74	.83
1	1.50	.95	Cariboo Gold	400	1.18	1.20	1.12	1.18
1	.05½	.02	Cartier Malartic	1,300	.02	.02½	.02	.02½
1	1.34	.55	Castle Trethewey	31,325	1.09	1.14	1.01	1.11
1	.07½	.02½	Cen. Manitoba	15,050	.04½	.05	.04½	.05
1	2.21	1.12	Cen. Patricia	82,885	2.15	2.16	2.00	2.00
No	.27	.08	Chibougamau Pros.	19,900	.16	.16½	.15	.15½
1	.06½	.03	Church M. & Mill	......	.03½	......	......	......
No	.08	.02	Clericy	167,900	.03½	.04	.03	.03
5	3.25	1.50	Coast Copper	375	2.50	2.75	2.25	2.75
1	.08	.01½	Cobalt Contact	1,500	.02	.01½	.01½	.01½
5	3.60	2.00	Coniagas	1,700	3.25	3.25	3.15	3.15
No	2.60	1.35	Coniaurum	10,497	1.95	2.28	2.00	2.28
25	198.00	125.50	Cons. Smelters	2,804	191.00	198.00	189.00	195.00
No	44.00	34.50	Dome Mines	1,603	39.00	41.00	38.87	40.75
1	.10	.03½	Dom. Explorers	13,575	.04½	.06½	.04½	.06½
1	.17½	.06	Duparquet	11,600	.08½	.08½	.07½	.08
1	2.93	1.02	Eldorado	12,725	1.52	1.53	1.38	1.40
No	5.75	3.25	Falconbridge	28,034	5.30	5.75	5.30	5.60
1	.04½	.02	Federal	182,500	.02½	.03½	.02½	.02¾
No	.16½	.05	Francoeur Gold	2,000	.11	.10	.10	.10
1	.40	.03	Franklin Gold	42,000	.04½	.05	.04	.04½
1	.45	.09	Gabrielle	325	.22	.25	.20	.22
No	2.24	1.17	God's Lake	202,501	1.42	1.43	1.17	1.23
1	.20	.10	Goldale	8,500	.15½	.15½	.13½	.13½
50c.	.46	.20	Gold Belt	1,000	.21	.20	.20	.20
1	.15	.04	Goodfish	3,050	.13	.12½	.10	.12½
1	.07	.02	Graham Bosquet	......	.03	......	......	......
1	.40	.17	Granada Gold	8,293	.23	.23	.20	.20
No	.12	.05½	Grandora	7,000	.06½	.06½	.06	.06
1	.45	.14	Greene Stabell	18,300	.20	.21	.16	.16
1	.05	.02½	Grozelle	......	.02½	......	......	......
1	.10	.04	Grull Wihksne	......	.04	......	......	......
1	.97	.48	Gunnar Gold	4,325	.64	.63	.55	.61
1	.08½	.02	Halcrow Swayze	500	.02½	.02½	.02½	.02½
1	.49	.35	Hard Rock	6,300	.40	.40	.35	.35½
1	.10	.04	Harker	2,500	.05½	.04½	.04½	.04½
5	20.25	11.65	Hollinger	8,929	14.50	14.65	14.00	14.25
1	1.10	.55	Howey Gold	21,845	.62	.65	.55	.55
No	20.00	11.50	Hudson Bay	5,213	18.75	19.62	19.00	19.37
1	15.35	11.35	Inter. Mining	200	12.50	12.00	11.35	11.35
1	6.50	5.00	Do., Pur. Warr.	......	5.00	......	......	......
No	38.50	22.25	Int. Nickel	94,722	34.62	38.50	34.75	37.75
100	130.75	125.00	Do., pref.	......	125.00	......	......	......
1	.30	.09½	J. M. Cons. Gold	31,740	.15	.15½	.13½	.14
1	.75	.40	Kerr Lake	300	.50	.55	.55	.55
1	.31	.20	Kirk. Hud. Bay	......	.20	......	......	......
1	.65	.33½	Kirkland Lake	19,190	.40	.38½	.36	.36
1	.33½	.12½	Kirk. Townsite	......	.14	......	......	......
No	.07	.02	Lake Maron	3,000	.02½	.02½	.02	.02
1	58.00	46.25	Lake Shore	2,117	49.50	51.25	50.50	51.00
No	.08	.01½	Lamaque Contact	16,000	.02½	.03½	.02½	.03
1	.18	.12	Lebel Oro new	30,865	.15	.16	.13	.14
1	.08	.02¾	Lee Gold	268,000	.03½	.04½	.03	.03
No	7.25	4.15	Little Long Lac	13,025	5.50	5.80	5.50	5.55
1	3.05	1.31	Macassa	13,982	2.80	2.82	2.70	2.72
1	.03	.00½	Malrobic	3,000	.00¾	.00⅞	.00¾	.00⅞
No	.12	.05½	Mandy	600	.09	.07	.07	.07
No	.12½	.03	Man. & Eastern	8,400	.06½	.06½	.04½	.04⅞
1	.14	.02½	Maple Leaf	27,800	.06½	.06½	.05½	.06
5	46.00	34.00	McIntyre	1,291	35.75	36.75	35.37	36.00
1	1.45	.96	McKenzie R.L.	61,150	1.10	1.24	1.15	1.18
1	.70	.35	McKinley	......	.45	......	......	......
1	.46½	.07½	McMillan	4,900	.10	.11	.09½	.09½
No	2.15	.45	McWatters	29,850	1.65	1.63	1.56	1.58
1	.40	.10	McVittie	3,200	.15	.15	.13	.13
No	1.50	.85	Mining Corp.	3,351	1.01	1.14	1.00	1.08
No	.21	.07½	Minto Gold	......	.08	......	......	......
1	.16	.05	Moneta	500	.06	.07	.07	.07
1	.79	.35	Morris Kirk	17,450	.59	.58	.56	.58
1	.01½	.00½	Murphy	......	.00¾	......	......	......
No	.04	.01	Newbec	2,500	.01½	.02	.01½	.01½
1	.04½	.00½	Night-Hawk Penn.	......	.01	......	......	......
5	2.51	2.00	Nipissing	5,485	2.30	2.51	2.30	2.49
No	44.12	31.00	Noranda	24,151	42.50	44.12	42.25	43.00
No	.31	.16	Nor. Canada	5,900	.24	.24	.20	.24
1	.75	.30	O'Brien	4,750	.40	.45	.39	.40
1	.10	.03	Osisko	300	.05	.05	.05	.05
1	.32	.18	Parkhill	5,200	.20	.20½	.19	.20
1	.04½	.01	Pawnee Kirk.	......	.01½	......	......	......
1	.33	.16	Paymaster	191,212	.26	.33	.26	.33
1	.84	.40	Pend Oreille	3,200	.78	.76	.70	.70
1	.92	.55	Perron Gold	26,810	.86	.88	.85	.88
1	.09½	.01½	Peterson Cobalt	42,300	.03	.03½	.02½	.03½
1	3.35	2.10	Pickle Crow	21,315	3.20	3.26	3.17	3.18
1	12.25	9.00	Pioneer Gold B.C.	4,770	9.35	9.40	9.10	9.25
1	.06	.03	Porcupine Crown.	18,000	.04½	.04½	.04	.04½
1	2.05	1.35	Premier Gold	7,730	1.80	1.80	1.75	1.77
1	.03	.01	Preston E. Dome.	6,500	.02	.01½	.01½	.01½
No	3.35	1.25	Prospectors Air's.	2,400	2.95	2.95	2.65	2.70
1	.95	.09½	Quebec Gold	14,500	.93	.90	.80	.83
No	.15	.02½	Quemont	......	.05	......	......	......
1	.98	.55	Read Authier	38,700	.90	.95	.90	.92
No	.43	.25	Red Lake	28,640	.42	.42	.40	.40
1	1.67	.73	Reno Gold	15,200	.81	.86	.80	.86
1	.02½	.00½	Ritchie	7,500	.01	.01	.00½	.01
1	.10½	.02	Robb Montbray	69,200	.04½	.04½	.03	.03½
1	.10½	.02¾	Roche Long Lac	7,800	.04	.04½	.04	.04
1	5.20	2.00	San Antonio	4,990	2.98	2.99	2.80	2.80
50c.	1.25	.54	Sheep Creek	1,200	.69	.70	.69	.70
1	1.00	.45	Sherritt Gordon	24,636	.81	.86	.77½	.83½
1	3.29	2.40	Siscoe	26,623	2.76	2.80	2.62	2.66
1	5.10	3.30	South Amer. Gold	1,300	4.40	4.85	4.55	4.85
1	.15	.02	South Tiblemont.	54,000	.03	.03	.02½	.02½
No	.32	.13½	Stadacona	166,790	.17	.17½	.15	.16½
1	.39	.14½	St. Anthony	5,650	.18	.18	.17½	.17½
No	2.27	1.25	Sudbury Basin	9,135	2.15	2.25	2.10	2.13
1	.11	.03	Sudbury Contact.	1,400	.04	.05	.04½	.05
1	.09	.03	Sudbury Mines	349,200	.07½	.09	.06½	.09
1	.89	.35	Sullivan Cons.	27,020	.70	.70	.67	.69
1	2.70	2.00	Sylvanite	17,960	2.38	2.45	2.34	2.44
1	.67	.25	Tashota	63,200	.33	.39	.33	.37
1	4.70	3.67	Teck Hughes	25,930	4.38	4.48	4.37	4.40
1	.02½	.00½	Timiskaming	2,500	.01½	.01	.01	.01
1	1.45	1.00	Toburn Gold	960	1.05	1.10	1.00	1.00
1	.30½	.10	Towagmac	2,750	.16	.18	.16	.16
1	.30	.10	Treadwell	50	.10	.20	.20	.20
No	1.31	.80	Ventures	98,475	1.21	1.31	1.18	1.26
No	.86	.45	Waite Amulet	4,837	.60	.72	.60	.71
50c	.24½	.07	Wayside	61,300	.15½	.16½	.14½	.14½
No	.10½	.01½	White Eagle	38,000	.03	.04	.03	.03½
1	.07	.03	Wiltsey Coughlan	......	.03½	......	......	......
1	.07½	.03½	Wood Kirkland	......	.04½	......	......	......
No	9.90	6.90	Wright-Hargreaves	8,595	7.25	7.55	7.25	7.50
No	.85	.26	Ymir Yankee	2,100	.34	.37	.34	.37
			OIL STOCKS					
No	.26	.14½	Acme Gas & Oil	12,850	.15	.17	.15	.17
1	1.09	.40	Ajax	3,900	.43	.45	.41	.41
No	.85	.49	Calgary & Ed.	300	.60	.65	.62	.63
1	.08	.04	Calmont	1,100	.06	.05½	.05	.04
No	.05½	.03	Common Pete	......	.04	......	......	......
No	.39	.15	Dalhousie	1,500	.25	.26	.25	.25
No	.12	.04	East Crest	3,500	.04	.05½	.05	.05
No	.35	.08	Foothills	......	.20	......	......	......
No	.15	.10½	High Sarcee	......	.14½	......	......	......
No	.80	.42	Home	2,190	.60	.60	.54	.50
1	.14	.04½	Homestead O. & G.	......	.04½	......	......	......
No	.13½	.06	Lowery	......	.07½	......	......	......
No	.27	.14	Merland	......	.14	......	......	......
5	.17	.03	Nordon	1,500	.12	.12	.11	.12
No	.07	.03½	Oil Selections	12,500	.04½	.04½	.04½	.04½
No	.06½	.02½	Olga Gas & Oil	72,400	.04	.04	.03½	.03½
No	.65	.40	Petrol Oil & Gas.	......	.60	......	......	......
No	27.00	18.00	Royalite	6,283	24.50	25.12	24.00	24.75
No	.12	.04	South West Pete	......	.04	......	......	......
No	1.15	.55	Texas Can.	12,745	1.10	1.12	1.06	1.17

VANCOUVER STOCK EXCHANGE

(Transaction for Week to November 15)

Par Val.	Range 1935 High	Low	Company	Sales	Close Nov. 8 (or last)	High for week	Low for week	Close Nov. 15
1	.02½	.00½	Alexandria	......	.00½	......	......	......
25c	.01½	.00¾	Bayview	......	.00¾	......	......	......
20c	.10½	.03½	Beaver Silver	8,000	.04	.04	.04	.04
25c	.02½	.01	Bluebird	......	.01	......	......	......
No	12.25	4.35	Bralorne	9,660	5.60	6.25	5.45	5.85
1	.08½	.03	Bridge River Cons	1,000	.03½	.03½	.03½	.03½
50c	.24	.07	B.R.X. Gold	800	.09	.09	.09	.09
1	.55	.14	B.C. Nickel	10,700	.25	.25	.23	.23½
1	1.80	.90	B.C. Silver	525	1.80	1.75	1.60	1.65
10	43.00	43.00	Bunker H. Sullivan	......	43.00	......	......	......
50c	.10	.03	Canadian Rand	3,000	.06	.05	.05	.05
1	1.50	.95	Cariboo Gold	4,575	1.16	1.20	1.14	1.16
1	.54	.15	Congress Gold	5,900	.17	.17	.15	.15
25c	.00½	.00½	Cork Province	......	.00½	......	......	......
1	.09	.03	Cotton Belt	3,000	.03½	.03½	.03½	.03½
No	.01½	.00½	Dalhousie Mines	......	.01	......	......	......
No	.95	.15½	Dentonia	19,300	.24	.25	.20½	.22
No	.06½	.01	Dictator	......	.02½	......	......	......
1	.17	.03	Dunwell	......	.04½	......	......	......
No	.16½	.04	Fairview Amal.	1,400	.07½	.07½	.07	.07
50c	.46	.25	Fawn Mining	500	.30	.30	.30	.30
1	.13	.05	Federal Gold	500	.05½	.06	.06	.06
1	.20	.12	George Copper	......	.25	......	......	......
50c	.08	.03	George Enterprise	......	.06	......	......	......
1	.01	.00½	Georgia River	4,000	.00½	.00⅞	.00⅞	.00⅞
50c	.06½	.01	Glacier Creek	......	.01½	......	......	......
1	.42	.11	Golconda	5,200	.13	.12½	.11½	.12
50c	.45½	.19	Gold Belt	4,500	.20	.19½	.19	.19
50c	.19	.02½	Gold Mountain	......	.02½	......	......	......
50c	.04½	.01½	Grandview	......	.02	......	......	......
No	.24	.01½	Grange Mines	......	.02	......	......	......
1	.10	.04½	Grull Wihksne	500	.05½	.05½	.05½	.05½
No	.03	.03	Haida Gold	......	.03	......	......	......
25c	11.50	6.40	Hecla	......	9.85	......	......	......
50c	.26	.18	Hedley Amal.	2,700	.20	.19½	.19	.19
No	.12	.04	Hedley Sterling	......	.06	......	......	......
1	.02	.01	Hercules Cons.	......	.01	......	......	......
No	.12½	.02	Home Gold	3,000	.03½	.03½	.03	.03½
1	.01½	.00½	Independence	......	.00½	......	......	......
1	.01	.01	Indian Mines	......	.01	......	......	......
50c	1.07	.68	Island Mountain.	1,600	1.00	1.02	.95	.95
1	.20	.17	Inter'tl Coal	......	.19	......	......	......
50c	.72	.30	Kootenay Belle	3,300	.44	.46	.44	.45
20c	.01½	.00½	Koot. Florence	......	.00½	......	......	......
25c	.01½	.00½	Lakeview	......	.00½	......	......	......
10c	.04½	.01	Lucky Jim	......	.02	......	......	......
No	.41	.07	Mak Siccar	2,700	.11	.11½	.11	.11
50c	.00½	.00½	Marmot Metals	......	.00½	......	......	......
1	.21	.16	McGillivray Creek	......	.20	......	......	......
10c	.30	.13	Meridian New	1,840	.16	.15	.13	.13
No	.24½	.05	Minto Gold	6,900	.05	.05½	.05	.05½
50c	.12½	.03	Morning Star	3,500	.03½	.03½	.03½	.03½
1	.02	.00½	Morton Woolsey	......	.00½	......	......	......
50c	.06½	.02½	National Silver	6,000	.02½	.02½	.02½	.02½
50c	.17	.05	Nicola	10,075	.10½	.11	.09½	.10½
50c	.16	.04½	Noble Five	17,000	.05	.05	.04½	.04½
No	.09½	.01½	Pilot Gold	6,000	.02½	.02	.02	.02
1	12.40	9.10	Pioneer Gold	2,295	9.40	9.40	9.20	9.35
50c	.15	.05	Porter Idaho	3,500	.05	.05	.05	.05
No	.01	.00½	Premier Border	......	.00½	......	......	......
1	.02½	.01½	Quatsino Copper	......	.02½	......	......	......
25c	.17	.05	Quesnelle Quartz	......	.05½	......	......	......
No	.18	.01	Reeves McDonald	......	.08	......	......	......
1	.44	.25	Relief Arlington	6,700	.43	.44	.42	.44
1	1.62	.72	Reno Gold	6,000	.82	.83	.80	.80
1	.04½	.02	Reward Mining	......	.02½	......	......	......
1	.01½	.00½	Rufus Argenta	......	.00½	......	......	......
1	.05½	.00½	Ruth Hope	......	.00½	......	......	......
1	.62	.16	Sally Mines	......	.16	......	......	......
50c	.18	.06	Salmon Gold	200	.07	.07	.07	.07
50c	1.18	.55	Sheep Creek	2,150	.71	.70	.65	.68
1	.05	.02	Silverado	100	.03	.05	.05	.05
25c	.02½	.00½	Silvercrest	......	.00½	......	......	......
20c	.12	.01	Silversmith	3,000	.01½	.01½	.01½	.01½
50c	.01½	.00½	Snowflake	......	.00½	......	......	......
1	.76	.46	Standard Silver	2,750	.50	.57	.50	.56
10	23.75	11.45	Sunshine	......	20.00	......	......	......
No	.32	.14	Taylor Bridge	11,400	.19	.19	.18	.18
1	.20½	.08½	Taylor Windfall	......	.12	......	......	......
5	.35	.15	Toric	......	.15	......	......	......
50c	.10	.03	United Empire	2,000	.03	.03	.03	.03
No	.61	.13	Vidette Gold	14,432	.25	.34	.24½	.34
No	.06	.00½	Viking Gold	......	.00½	......	......	......
No	.07½	.02	Waterloo Gold	......	.02	......	......	......
25c	.01¾	.00¾	Waverley Tangier	12,000	.00¾	.00⅞	.00¾	.00⅞
50c	.23½	.07½	Wayside	15,500	.16	.16½	.15½	.15½
20c	.04	.01	Wellington	8,000	.01¾	.01¾	.01¾	.01¾
No	.09½	.02	White Eagle	......	.02	......	......	......
1	.14	.04	Whitewater	2,000	.05	.05	.05	.05
No	.83	.26	Ymir Yankee Girl	800	.32	.35	.32	.32
			OIL STOCKS					
1	.10½	.04½	Alta. Pac. Cons.	......	.06½	......	......	......
1	.22	.03½	Amalgamated	13,300	.05½	.06½	.05½	.06
1	.04	.00½	Anaconda	4,000	.00½	.01½	.01½	.01½
No	.05	.00½	Baltac	......	.00¾	......	......	......
1	.07½	.05	Brit. Dominion	......	.05	......	......	......
1	.25	.03	Crow's Nest	33,200	.05½	.06½	.05½	.05½
No	.03½	.01	Devenish	4,000	.02½	.03½	.03	.03
No	.11	.04	Freehold	......	.04½	......	......	......
No	.04½	.02	Hargal	......	.02	......	......	......
No	.15	.08½	High Sarcee	......	.13½	......	......	......
No	.01½	.00½	Madison	......	.00½	......	......	......
No	.17	.07	Marjon Oil	3,600	.08½	.09½	.08½	.08½
No	.06	.02	McD. Segur Ex.	500	.02½	.03	.03	.03
1	.50	.30	McLeod	......	.50	......	......	......
No	.14½	.09	Mercury	9,200	.11	.11½	.10½	.11½
No	.14	.07	Mill City Pete	......	.07	......	......	......
1	.38	.18	Model Oil	25,800	.29½	.35	.29	.35
No	.06½	.03½	Okalta	......	.04	......	......	......
No	.10½	.02	Pacalta Oil	7,500	.05½	.05½	.04½	.05
1	1.17	.24½	Ranchmen's	14,100	.52½	.57	.38	.44
No	.01	.01	Richfield	......	.01	......	......	......
1	.28	.15	Spooner	......	.18	......	......	......
No	.10	.03	United	1,000	.05½	.05	.05	.05
No	.14	.04	Vanalta	200	.04	.04	.04	.04
1	.05	.04	Wellington Oil	......	.05	......	......	......

Active Corporation Bonds

(Furnished by Toronto Bond Traders)

November 19, 1935

	Int. Rate %	Due	Bid Nov. 19	Asked Nov. 19	Bid Nov. 12
Public Utility Issues:					
‡Avalon Tel.	5½	'48	100½	...	100½
Beauharnois	5½	'73	90	92	90
Beauharnois	5	'73	34½	36½	35
*Bell T'phone	5	'55	113	116	113
*Do.	5	'57	115	118	115
†B. C. Power	5	'60	102½	104½	102½
†Do.	5½	'60	104½	106½	104½
†B. C. T'phone	5	'60	106½	109	107
†Calgary Pwr.	5	'60	96½	99	94
Do.	5	'64	94½	97½	93
†Can. Nor. Pr.	5	'53	101½	103½	101½
†Cedars Rapids	5	'53	113	115	113
Dom. Gas	6½	'45	87	90	84½
§Duke-Price Pr.	6	'66	104	106	104
*Gatineau Pwr.	5	'56	87	89½	85
*Do., A	6	'41	71½	74½	68½
*Do., B	6	'41	71½	74½	68½
*Int'l. Hydro	6	'44	47	50	46
†Maclaren-Que.	5½	'61	70	73	69
Do.	5½	'64	70	73	69
*Manitoba Pwr.	5½	'51	67½	70½	67
†Mtl. Island Pr.	5½	'57	104½	106½	104½
†Montreal Pwr.	5	'51	107½	109½	107½
†Montr'l Tram.	5	'55	85	87	84½
†Do.	5	'41	103	105	103
Nat'l L. & P.	6	'49	91	94	91½
†N. S. L. & Pr.	5	'58	102½	105½	102½
†Ottawa Light	5	'57	105½	108	106
†Ottawa Val. Pr.	5½	'70	87½	90	86
†Power Corp.	4½	'50	89	92	87
†Prov. Lt. & P.	5	'46	106	108½	106
*Quebec Pwr.	5	'68	105	108	105
†Shawinigan	4½	'70	100	102	100
†Do.	5	'70	104½	107	105
†S. Canada Pr.	5	'55	105½	108	106
†United Secs.	5½	'52	79½	82	79
†W. Koot. Pwr.	5	'56	106	109	106½
†Western Pwr.	5	'49	105	108	105
*Winnipeg Elec.	5	'35	98½	...	98
*Do.	6	'54	68	71	68
Industrial & Realty Issues:					
Abitibi Pwr.	5	'53	33	35	29½
†Alta. P. Grain.	6	'46	94	97	93
Brand.-Hend.	6	'38	98	...	98
B. A. Oil	5	'45	106	108	106
Do.	4	'45	101½	103½	101½
Burns & Co.	5½	'48	67	70	69
Canada Bread	6	'41	106	109	106
†Can. Cement	5½	'47	104½	106½	104½
†Can. Paper	5	'45	101½	...	101½
‡Can. Ss. Lines.	5	'43	100	...	100
Do.	6	'41	40½	43½	41½
†Can. Canners	6	'50	104½	106½	104
Can. C. Felt	6	'46	103½	...	103½
C. P. R.	4½	'44	96	99	95½
Do.	4	'49	95	97	93½
†Can. Vickers	6	'47	79	82	80
Cons. Paper	5½	'61	18½	21	15½
†Dom. Canners	6	'40	108	...	108
†Dominion Tar	6	'49	102	104½	102½
†Donnacona P.	5½	'48	44	47	36
†East. Dairies	6	'49	87½	90	87½
Eaton Realty	5	'49	100	102	100½
†Fam. Players	6	'48	102½	104½	102½
†Do.	6½	'48	97	100	97
†Federal Grain	6	'49	97	100	96½
Fraser Cos.	6	'50	72	...	62½
▲Do.	6	'50	67	...	56½
†G. Steel Wares.	6	'52	96	99	96½
Gt. Lakes Pap.	6	'50	38	40½	34
†Gypsum, Lime.	5½	'48	90	92½	90½
Ham. Cottons	5½	'48	100	103	100
*Ham. By-Prod.	5	'50	97½	99½	97½
*Hinde & Dauch	5½	'48	102	105	102½
†I. P. & P. Nfld.	5	'68	101	104	100½
Int. City Bak.	5½	'48	100	103	100
Inter-City West. Bakeries	6½	'50	26½	30	26½
Kingston Elev.	6	'50	90	93	90½
Lake St. John P. & Pa.	6½	'47	71½	74½	68½
†Lon. Can. Inv.	4½	'48	85	90	84
London Realty.	6	'50	89	92	89
†Massey-Harris	5	'47	88	90½	88½
McColl-Front.	6	'49	104	106	104½
Metropolitan B.	7	'44	101	...	101
M. & O. Paper.	6	'45	18	21	15
‡Mont. Cottons	5	'47	101	...	101
*Prov. Paper	5½	'47	101½	103½	101
*Reliance Gr.	6	'48	101	...	101
‡Riordon Pulp	6	'42	104	...	104
†Rolland Paper.	5½	'48	104	107	104
St. Law. Flour.	6	'41	103	...	103
†Simpsons Ltd.	6	'49	103½	105½	103½
Do.	5½	'49	101½	...	101½
†Smith, How'd.	5½	'53	104	106	104½
‡Steel of Can.	6	'40	111½	...	111½
United Amuse.	6	'42	98½	...	98½
United Corps.	5	'53	90	95	89
United Grain	5	'48	96	99	95½
Do.	5½	'49	98	101	98
‡Wabasso Cott.	6	'47	102½	...	102½
Do.	7	'42	104½	...	104½
Western Grain.	6	'49	77	81	75
Woods Mfg.	6	'43	101	...	101
Zimmerknit	6	'51	100	...	100

‡Payable in Canada or U. K. †Payable in Can., U. S. or U. K. §Payable in U. S. only. *Payable in Can. or U. S. ●Unstamped. ▲Stamped.

Mining Dividend Payers

	Rate	Close Nov. 18	Yield %
Anglo-Huronian	20c	4.35	..
Buff. Ankerite	20c	3.17	6.3
Bulolo Gold	2.60	32.75	7.9
Coniagas‡	12½c	3.15	..
Cons. Smelters	$1.25	195.00	..
Dome Mines	$2+$2	40.75	9.8*
Falconbridge	22½c	5.60	..
Hollinger	65c+25c	14.10	6.3*
Howey Gold	5c	.55	..
Hudson Bay	$1	19.37	5.1
Int. Coal & Coke‡	1c	.19	..
Inter. Mining	60+5c	11.35	5.7*
Int. Nickel c.	$1	37.75	2.6
Kirk. Lake‡	3c	.36	..
Lake Shore	$2+$2	51.00	7.8*
Macassa	15c	2.72	5.5
McIntyre	$2	36.00	5.5
McKinley Sec.	5c	.45	..
McWatters Gold†	5c	1.58	..
Nipissing	12½c	2.49	..
Noranda‡	$1	43.00	..
Nor. Canada†	2c	.24	..
Premier	12c+1c	1.77	7.3*
Pioneer, B.C.	80c	9.25	8.6
Reno	12+2c	.86	16.3*
San Antonio	14c	2.80	5.0
Siscoe	20c+3c	2.66	8.6*
So. Amer. Gold	30c	4.85	6.2
Sylvanite	20c	2.44	8.2
Teck Hughes	40c	4.40	9.1
Toburn	8c	1.00	8.0
Wright-Har.	40+20c	7.50	8.0*

‡Interim. †Initial. *Yield includes bonus.

Unlisted Mining Stocks

November 19, 1935

	Bid	Asked
Ascot	.26	.28
Arntfield Syndicate	1.00	1.10
Athona (Gt. B. L.)	.40	.43
Athabaska Portals	..	.28
Bailor	..	.01
Bidgood Kirkland	.08½	.09½
Bankfield Gold	.26	.28
Bathurst	.00½	.01½
Bosquet Gold	.04	.05
Can. Pandora	..	.05
Casey Summit	.11	.14
Canusa Mining	.04	.05
Casey Contact	.02½	.02¾
Central Porcupine	.24	.26
Cons. Chib. Free	..	.72
Cons. Chib. Pool	..	.71
Columario Cons.	.00½	.01½
Dunlop Cons.	..	.01
El Bonanza	.14	.15
Forty-four Gold	4.00	5.00
Glenora Gold	.06	.07
Galatea	.08	.09
Goldside	.02½	.03½
Gold Eagle	..	.19
Greenlaw	.04½	.05
Hislop Gold Free	..	.06
Hudson Patricia	.07½	.08½
Jellicoe	.05	.06
Johnson Nipigon	.01½	.02½
Kirk. Lake Belt	.06	.07
Knee Lake	..	3.28
Lafayett L. Lac	.0½	.04½
La Palme	.44	.47
Long Lac Lagoon	..	.03½
Lamaque Gold	2.50	2.60
Leitch Gold	.33	.35
MacL. Cockshutt	.03½	.04½
Magnet Lake	.02½	.03½
Matachewan Can.	.10	.12
McCarthy Webb	.05	.06
Mosher	.01½	.02½
Murmac	.09	.12
North Shores	.01	.02
Oklend	.24	.28
O'Leary	.06½	.08
Opemiska	1.30	1.50
Pamour Porc.	3.65	3.70
Rice Lake	.01½	.02½
Shawkey	.56½	.58
Silverado Gow.	..	.27
Sladen	.20	.22
Smelter Gold	.05½	.06½
Smith Cobalt	.08½	.10
Springer	.08	.09
Straw L. Beach	.06	.08
Sturgeon R. Gold	.65	.68
Thom.-Cadillac	.03	.04
Wells Long Lac	..	.06½
Wingold	.03	.04
Young Davidson	.18	.20
Wendigo	.12	.14

Listed Bond Quotations

Week Ending Nov. 18, 1935

	Int. rate	Due	High	Low	Range 1935 High	Range 1935 Low
Mtl. L. H. & P. Debs.	3	'39	50½	50	50¾	46
McNish	6	'48	3.70	...	4.00	3.25

Public Utility Earnings

Southern Canada Power

October:	1935 $	1934 $	Increase $
Gross earns.	182,827	179,058	3,769
Oper. exps.	73,990	73,196	794
Net earns.	108,837	105,862	2,975

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

November 19, 1935

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, c.	3.00	3.15
Do., 6% pfd.	4.80	5.05
Acme Farmers Dairy, 7% p.	36.00	40.00
Andian National Corp.	48.00	50.00
Atlantic Sugar, 7% pfd.	104.50	105.50
B. C. Pulp & Paper, 7% pfd.	7.00	9.00
Burns & Co., A	6.00	7.00
Do., B	3.00	4.00
Canada Starch, com.	15.00	...
Do., 7% pfd	85.00	...
Canada Tea, pfd.	33.00	38.00
Can. Tube, 1st pfd.	32.00	...
Can. Wire & Cable, 6½% p.	76.00	77.00
Can. Industries, A, com.	205.00	...
Do., B, com.	205.00	...
Can. Paperboard, pfd. bon.	4.25	6.00
Can. Westinghouse	52.50	...
Chase, A. W., pfd. bonus	24.00	...
Claude Neon Adv. Units	4.00	6.00
Dom. F. & St., c., (New)	28.50	...
Do., pfd. (New)	85.00	90.00
Donnacona Paper, A	3.00	5.00
Dunlop Tire, 7% pfd.	61.00	65.00
Edmon. City Dairy, 6½% p.	56.00	...
Federal Grain, com.	1.25	2.00
Do., 6½% pfd.	35.00	37.00
Goderich Elev. & Transit	5.60	6.00
Greening Wire 7% pfd.	102.00	103.00
Guelph Carpet, 6½% pfd.	99.00	100.50
Do., com.	14.00	15.50
Highland Dairy, com.	3.00	3.50
Do., 7% pfd.	71.50	80.00
Huether Brewing, pfd. bon.	2.35	3.00
Mercury Mills 6% pfd.	5.00	6.00
Morrow Screw 7% pfd.	97.50	...
New Meth. Laund. 6½% p. b.	71.00	...
Provincial Paper, 7% pfd.	97.50	98.50
Reliance Grain, 6½% pfd.	81.00	85.00
Robinson Consol. Cone	10.60	11.25
Ruddy, E. L., 7% pfd.	30.50	...
Silverwood's Dairies, pfd.	41.00	42.00
Stand. Fuel, 6½% p. bonus	105.00	106.50
Supert. Petroleum, B, 6% p.	27.50	29.50
Toronto Carpet, pfd.	27.50	...
United Steel, A, pfd.	5.00	5.75
Western Grain, 6½% p. bon.	10.50	11.50
Willards Chocolates, 6½% p.	8.75	...
Trust & Loan Stocks:		
Chartered Trust	76.00	80.00
London & Western Trust	34.00	36.00
Premier Trust	87.00	90.00
Sterling Trust	30.00	35.00
Traders Finance, B, 7% pfd.	63.50	...
Trusts & Guarantee	24.50	26.50
Sherbroke Trust	110.00	...
Insurance Stocks:		
British America	36.00	37.75
Canada Life	500.00	509.00
Canadian Fire Ins.	76.50	78.00
Canadian Ins. Shares, com.	9.25	...
Confederation Life, 20% pd.	113.00	118.00
Continental L. 20% pd.	35.00	40.00
Crown Life Ins.	106.50%	...
Dominion Fire Ins.	110.00	115.00
Dominion Life 50% pd.	280.00	300.00
Dom. of Can. Gen. Ins.	75.00	80.00
Empire Life 25% pd.	6.00	7.00
Excelsior Life 30% pd.	69.00	71.00
Federal Fire 25% pd.	34.00	37.00
Fidelity Ins. of Can.	48.00	53.00
Great West Life Assce.	388.00	396.00
Guar. Co. of N. A. fully pd.	250.00	...
Halifax Fire Ins.	20.75	21.50
Imperial Life	310.00	...
Manufacturers Life Ins.	255.00	260.00
Monarch Life 10% pd.	17.50	19.00
National Life 25% pd.	53.50	57.00
Sovereign Life 25% pd.	13.50	15.00
Sun Life Assurance	421.00	435.00
Toronto General Ins.	4.50	5.00
Western Assurance, com.	35.50	39.00
Western Assurance 12% p.	38.00	41.00
Theatre Stocks:		
Allens Beach, pfd.	57.00	...
Allens Calgary, com.	7.35	9.00
Do., Kingston, pfd.	50.25	...
Do., Parkdale, pfd.	40.50	45.00
Do., Tor. pfd. bonus, com.	27.50	31.00
Loew's London, 7% pfd.	1.90	2.10
Do., Toronto, pfd.	112.00	114.00
Mansfield Theatre, pfd.	23.50	25.50
Paramount Kitchener, pfd.	30.50	35.00
Paramount Oshawa, pfd.	59.00	...
United Amusement, A	11.50	12.00
Do., B	10.50	11.50
Investment Trust Shares:		
Can. Gen. Invest.	7.05	7.20
Can. Investors Corp.	6.25	7.25
Can. Int. Inv. Tr. Units	27.50	29.00
Cons. Div. Stand. Sec. U.	10.75	11.75
Debenture & Sec. 5% pfd.	32.00	...
Dom. Scottish Invest. Units	25.00	27.00
Foreign Power Sec., pfd.	5.25	6.50
Invest. Foundation Units	41.00	42.50
Sec. Holding Corp. Units	11.50	13.00
United Corpns., A	21.75	22.25
Do., B	7.25	7.75
Power Issues:		
Calgary Power, 6% pfd.	78.00	79.00
Can. Light & Power, com.	21.00	24.00
Can. Public Service, 6½% p.	28.00	...
Can. West. Nat. Gas, pfd.	91.50	93.00
Do., com.	22.00	23.50
Great Lakes Pwr., 7% pfd.	71.50	...
N. B. Telephone, com.	10.50	11.50
Nor. Ont. Power, 6% pfd.	97.25	...
N. S. L&P 6% pfd.	99.00	100.00
Recent London Quotations:		
British Columbia Tele., pfd.		$105
Brewers & Distillers		5s. 6d.
Canada Company		7s. 6d.
Canadian & Foreign Securities		4s.
Canadian Collier, $1 c.		1½d.
Do., pref. $10		4½d.
Canadian N. W. Land		10s.
Canadian Western Lumber		10½d.
Do., pref.		97s. 6d.
Third Can. Gen. Inv.		6s. 6d.
Hudson's Bay		18s. 3d.

Dividends Declared

	This payment	Date payable	Date of record
Andian Nat.	$1+$1	Dec. 2	Nov. 15
Agnew-Surpass pf.	$1.75	Jan. 2	Dec. 16
Anglo-Huronian c.	20c	Dec. 2	Nov. 22
Anglo Can. Tel. B	15c	Nov. 25	Nov. 15
Bk. of N. Scotia	$3	Jan. 2	Dec. 16
Bonded Corp. tr. c.	10c	Dec. 1	Nov. 25
Bright, T. G.	7½c	Dec. 15	Nov. 30
Do., pref.	$1.50	Dec. 15	Nov. 30
Biltmore Hats, pf.	$1.75	Dec. 14	Nov. 15
Bunker Hill	50c	Dec. 2	......
Borden Co. c.	40c	Dec. 2	Nov. 15
Bulolo Gold Dr.‡	$1.40	Dec. 10	Nov. 12
Bk. of Montreal	$2	Dec. 2	Oct. 31
Bk. Can. Nationale	$2	Dec. 2	Nov. 15
Bank of Tor. c.	$2.50	Dec. 2	Nov. 15
Can. Bk. of Comm.	$2	Dec. 2	Oct. 31
Can. Hydr. Elec., p.	$1.50	Dec. 2	Nov. 1
Caribou Quartz	2½c	Jan. 1	Dec. 21
Cons. Div. Std. Sec. pfd.	25c	Dec. 15	Dec. 1
Canada Bud. c.	20c	Dec. 20	Dec. 2
Corr. P. Box, pf.	$1.75	Dec. 1	Nov. 16
Can. Dom. Sugar, c.	37½c	Dec. 1	Nov. 15
Can. Vinegars	40c	Dec. 2	Nov. 15
Can. Cottons	$1	Jan. 2	Dec. 13
Do., pref.	$1.50	Jan. 2	Dec. 13
Can. Gen. Elec., c.	75c	Jan. 1	Dec. 14
Dominion Bank	$2.50	Jan. 2	Dec. 20
Howey Gold	2c	Dec. 14	Nov. 14
Granby Cons.*	$5	Dec. 2	Nov. 15
Hudson B. Mining	50c	Dec. 16	Nov. 29
Hollinger Cons.	5+5c	Dec. 2	Nov. 15
Imperial Oil	25c	Dec. 2	Nov. 15
Do., Special	37½c	Dec. 2	Nov. 15
Inter. Petroleum	75c	Dec. 2	Nov. 22
Do., Special	50c	Dec. 2	Nov. 22
Inter. Nickel c.	25c	Dec. 31	Dec. 2
Inter. Mining	15c	Dec. 20	Nov. 29
Do., extra	5c	Dec. 20	Nov. 29
Lake Shore M.	50c	Dec. 16	Dec. 2
Do., extra	50c	Dec. 16	Dec. 2
Laura Secord c.	75c.	Dec. 2	Nov. 15
Little L. Lac Gold	10c	Jan. 20	Dec. 19
Loblaw, A & B	25c	Dec. 2	Nov. 14
McKinley Mines c.	2½c	Dec. 2	Nov. 22
McIntyre-Porc. c.	50c	Dec. 2	Nov. 1
McLennan, McFeeley c. A	10c	Dec. 30	Dec. 23
Do., c. B	10c	Dec. 30	Dec. 23
McWatters G., M.	5c	Dec. 18	Dec. 4
Monarch Knit pf.	$1.75	Jan. 2	Dec. 14
Ogilvie Flour, pf.	$1.75	Dec. 2	Nov. 20
Nat. Biscuit	40c	Jan. 15	Dec. 13
Do., pref.	$1.75	Nov. 30	Nov. 15
N. S. Light & P. p.	$1.50	Dec. 2	Nov. 16
Provincial Bank	$1.50	Dec. 1	Nov. 15
Pioneer Gold	20c	Jan. 2	Dec. 2
Royal Bank c.	$2.00	Dec. 2	Oct. 31
Rolland Paper pf.	$1.50	Dec. 2	Nov. 15
Royalite Oil	50c	Dec. 2	Nov. 15
Do., special	25c	Dec. 2	Nov. 15
So Amer. Gold	10c	Nov. 27	Nov. 15
Std. Silver & Lead	1c.	Dec. 20	Dec. 1
Sylvanite Gold	5c	Dec. 31	Nov. 23
Siscoe Gold	5c	Dec. 16	Nov. 30
Teck Hughes	10c	Jan. 2	Dec. 10
Tor. Elevators pf.	$1.75	Jan. 15	Jan. 2
Walker, H., pfd.	25c	Dec. 16	Nov. 23
W.-Hargreaves	10c	Jan. 2	Dec. 10
Do., extra	5c	Jan. 2	Dec. 10
Zellers, pfd.‡	$1.50	Dec. 15	Nov. 30

‡Interim.
*Capital distribution.

Winnipeg Stock Exchange

(Transactions from Nov. 9 to Nov. 16)

	Sales	High for period	Low for period	Close Nov. 16
Canadian Rand	2,500	.05	.05	.05
Flin Flon	3,600	.23	.21	.21
Gold Lake	7,100	.33	.31½	.32
Knee Lake	2,700	.28	.28	.28
Island Lake	6,500	.02½	.02	.02½
North. Trust	20	6	6	6
Pelissiers, pfd.	35	.25	.25	.25
Ore Grande	1,000	.04	.04	.04
Rel. Grain, pf.	20	.80	.80	.80
United Grain	108	.12½	.12½	.12½
Shawkey	1,600	.55	.53½	.55¾
Wingold	1,200	.03½	.03	.03¾
West. Breweries	30	1.60	1.60	1.60
Wylie Dom.	15,500	.16	.14	.15

Stocks Not Traded in During Week*

	Bid	Ask.
Beaver Fire Ins.	..	100
Beaver Lumber, c.	..	3
Do., pref.	..	68
City Dairy, A	..	10
Cres. Cream, pf.	29	...
Home Invest.	..	35½
Can. Amer. Trust	3.45	3.70
Can. Inv. Fund	..	4.10
Fundamental A	5.54	6.12
Series B	5.25	...
Grouped Income	5.32	5.85

*Stocks more active on other exchanges not included.

Week In Wheat —

Marking Time

• • • •

U. S. Hesitant

The wheat market has been narrow, with limited trading, comparatively steady prices, and little pressure.

The Wheat Board has been credited with comparative willingness to sell futures when any demand has appeared. But also the Board is said to be tightly holding cash grain, particularly of certain grades.

Some observers professed to see an added reluctance of traders to commit themselves in the market as a result of persistent reports of an imminent change in the Wheat Board personnel. But buying has been so limited during recent weeks that it is difficult to be sure that an additional cause has been at work.

The slow rate at which deliveries are now being made of wheat by farmers, less than the combined volume of Canadian milling and exports is effecting a slow decline in visible supplies. This may produce an effect on sentiment as it proceeds.

* * * *

The Chicago market is hesitant. It is affected both by fears of substantial American imports of Canadian wheat, and also by the general feeling that conditions are good for winter wheat. Private reports from fairly large areas, however, show that in many districts prospects are short of satisfactory. Moisture in spring wheat states is generally poor. But no great weather interest in the market is likely for some time.

The U. S. corn crop, although much better than last year is still short of average, but comparatively poor demand, due to limited number of livestock in the country, is creating a tendency to weakness in the coarse grains market.

Big U. S. Exports

DUTY paid entries of Canadian wheat into the United States are now running at a high rate. Belief is encouraged that the total exports of Canadian wheat for domestic use in the United States this year may reach a total of 50 million bushels.

Definite predictions are still dangerous. The total use of high grade spring wheat flour by United States bakers and housewives may still be cut down by its greater cost in relation to flour made from soft wheat. Of the latter United States has a plentiful supply in contrast to the scarcity, because of rust, of hard spring wheat.

For domestic production, millers are absorbing principally the higher grades of Canadian wheat for this purpose, in order to get the maximum value out of the 42 cents duty. For milling in bond they are largely buying lower grades, to the extent of some 300,000 bushels weekly. This is mainly destined to be milled into flour for the Cuban trade, with some also for Central America.

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Wheat Board "Control"

WHEAT other than that controlled by the Canadian Wheat Board is becoming increasingly scarce on the Winnipeg market. For some weeks now, all farmers' deliveries have been going to the Board. Prices of the latter for all grades have been above current market values. Purchasers of cash wheat have been practically unable to buy except from board stocks, and it is doubtful if any considerable buying of futures could occur without the board being the principal, if not the only, seller.

As a result the current prices quoted for futures on the Winnipeg market, as well as the prevailing spreads between different grades, may be said to represent more the board's immediate opinion on prices than any other single influence.

Within limits, it is possible for the board to advance prices at any moment. There is always a demand for some Canadian wheat for overseas export, in spite of variations in relative levels between Winnipeg and other markets. But to permit sales to the United States to continue, the Canadian price has to remain close to 42 cents a bushel under the top prices paid at Minneapolis for the premium grades of milling wheat available there. Moreover to permit large volume sales to continue overseas the spread between Canadian and Argentine prices must be kept comparatively narrow.

When occasional spurts of overseas buying come into the Winnipeg market there is always danger that the board's ideas as to price may be revised upward too suddenly, with the effect of shutting off business. Observers profess to have seen some evidence of that occurring on several recent occasions. On the other hand there is the concurrent danger that buyers, thinking that the board may shortly be moved to lower its asking prices, may withhold operations in the hope of such a development.

• • •

Argentine Supplies

THE size of Argentina's wheat crop continues to be the subject of widely varying estimates. Probably about 150 million bushels, against 235 million last year and 285 million two years ago, is about what the market has discounted for the present. Returns in excess of that may be expected to have a bearish influence, and smaller returns a bullish effect.

Offers of new crop wheat have been made by Argentine sellers for February-March shipment at some discount under prevailing prices for old crop wheat, indicating an opinion that wheat for export will be reasonably plentiful at that time.

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Can China Pay?

THE effect of China's new currency plans, and of her disputes with Japan, upon Chinese ability to import wheat this year, continues to create some nervousness. The Chinese wheat crop is believed to be short, with a considerable need for imported food. But the problem is whether or not China will be able to pay for imports on the scale that might be expected under normal conditions.

Report Further Decline in Canadian Grain Crops

Threshing Returns Indicate Considerable Late Deterioration in Western Wheat Harvest — Coarse Grains Better Than 1934

Canadian crops in the season just closed closely paralleled the experience of 1934. In both years threshing returns did not bear out the promised yields in September.

The second 1935 estimate recently released by the Dominion Bureau of Statistics shows that wheat is reduced by nearly 16 million bushels and is now below the 1934 production. Oats were lowered by nearly 33 million bushels, but still remain well above the 1934 production.

In the Maritimes, Quebec and Ontario the tendency is downward. In the prairie provinces all estimates are lower except for wheat in Manitoba. Second estimates for British Columbia are slightly higher.

Frost Damage

As threshing progressed it became evident that the effects of rust were well expressed in the September estimate but the full damage due to frost was not evident at that time.

Total yields of principal grain crops are estimated as follows:

	1935 Bus.	1934 Bus.
Wheat	273,971,000	275,849,000
Oats	416,369,000	321,120,000
Barley	87,512,000	63,742,000
Rye	10,610,000	5,423,00
Peas	1,581,000	1,588,000
Beans	1,117,000	813,600
Buckwheat	7,972,000	8,635,000
Mixed grains	39,567,000	37,926,000
Flaxseed	1,433,000	910,400
Corn for husking	7,765,000	6,798,000

The average yields per acre, with the exception of wheat, are generally estimated higher. Details are as follows:

	1935 Bus.	1934 Bus.
Wheat	11.4	11.5
Oats	29.5	23.4
Barley	22.5	17.6
Rye	13.8	7.4
Peas	16.9	16.7
Beans	17.3	14.3
Buckwheat	21.0	21.2
Mixed grains	34.3	32.7
Flaxseed	6.7	4.0
Corn for husking	46.3	42.3

For the three prairie provinces the second estimate of the yields of the five principal grain crops is as follows:

	1935 Bus.	1934 Bus.
Wheat	256,000,000	263,800,000
Oats	263,947,000	172,040,000
Barley	66,115,000	44,742,000
Rye	9,347,000	4,381,000
Flaxseed	1,330,000	827,000

Hon. D. McKenzie Named To United Grain Executive

From Our Own Correspondent

WINNIPEG.—Election of the Hon. D. G. McKenzie as first vice-president of United Grain Growers Ltd. has been announced, and also his impending retirement at the end of the year from the Manitoba government, in which he is minister of agriculture.

Mr. McKenzie has been a member of the board of directors of United Grain Growers for fourteen years, having succeeded, in that office, his father the late Roderick McKenzie, who was one of the pioneers of agricultural organization in western Canada.

Mr. McKenzie played an active part in the United Farmers of Manitoba, of which he was secretary-treasurer before his appointment as a member of the Dominion tariff board. He left the latter body in 1928 in order to become minister of mines and natural resources in the Manitoba government under Premier Bracken, and three years ago assumed, instead, the portfolio of agriculture.

Newfoundland to Build 97 Miles New Highway

The Newfoundland Commission of Government has announced plans for the construction of 97 miles of new highways. The roads will be from Port aux Basques to Codroy, from Stevenville to Corner Brook, from Corner Brook to Deer Lake and from Badger to Grand Falls. Later these links will be joined to make a continuous road across the island.

See Boon Cattle Raisers In U.S. Trade Agreement; Full Appraisal Difficult

Full Benefit Will Depend Upon Maintenance of High Prices in American Markets — Coarse Grains May Be Diverted Into Cattle

By GORDON L. SMITH

It is difficult to make a net estimate of the value to Canadian farmers of the U.S.-Canadian trade pact. Predictions run all the way from very little to hundreds of millions.

But authorities on different lines of agricultural production interviewed by The Financial Post this week almost invariably said, "Wait and see." Practically all agreed that there would result very considerable benefit but most of them preferred to wait for six months so as to be able to check actual development.

In all cases, real development of agricultural exports under the treaty depends upon maintenance of sufficiently high prices in United States to offset the still important duties.

Affects all Products

One cannot take out one item and say the loss or gain will be so and so, because practically every agricultural product is related to every other. There is a definite connection, for instance, between two such widely different products as tobacco in Norfolk or Essex county in Ontario and wheat in Southern Saskatchewan.

There is always marginal land somewhere between the two, on which it is possible in favorable years to grow either crop. Naturally that which has proved most profitable will be increased, thus increasing production and usually weakening prices.

Because of this close relation between one agricultural line and another it is not easy to predict just what the total effect of any tariff change will be. Complicating the whole matter, is the trend of prices. Manufactured products in this respect are fairly stable, but cattle, wheat, eggs, butter and such things fluctuate from day to day.

Wait and See

It may be months before the full effect of the coming treaty is felt. Development was very gradual in the case of the Ottawa agreements. It was well over a year after these were signed before there was any appreciable gain in Canadian hog prices, for example, although these agreements at first gave Canadian farmers what amounted to an unlimited market in Great Britain for Canadian bacon.

On the whole, however, this Canadian-U.S. pact is looked upon as distinctly favorable to Canadian agriculture generally.

Cattle Possibilities

Provided close to the present cattle prices in United States are maintained for the next year there is prospect of export to that country of about 225,000 head. If the price there slumps, however, the proposed duty of 1½ to 2 cents per pound on the above quota may prove prohibitive. The present duty of 3 cents per pound was prohibitive from 1930 until last December when as a result of the big mid-west drought and government restriction, prices suddenly shot up to war-time levels. As a result over 100,000 head of Canadian cattle were sold in U.S. markets in the first 10 months of 1935.

But information from Washington and other sources would lead one to believe that high cattle prices in United States will continue until fall of 1936 and probably longer. High prices in that country from the fall of 1934 would undoubtedly stimulate production but it takes at least two years to bring this new production to the slaughter stage. In the meantime there is a definite shortage.

Assuming that this information proves substantially correct then we can expect roughly 225,000 head of Canadian cattle to go to the States in 1936 and this number based on export figures over the past twenty years is about what is needed to keep the domestic market on a firm level. That number of cattle would be worth about $10 to $12 millions, but that is only one small part of the story. As a result of lifting such a surplus off local markets it is generally agreed that Canadian cattle prices will advance at least one cent a pound. Or in other words that all cattle, and there are about 8 million head in this country, will increase in value by at least $8 per head or a total of close to $65 millions. And the story is not complete there.

At least 60 per cent of all Canadian farmers are interested in beef cattle raising and this industry ever since 1930 has been depressed.

Large Area Interested

Any stimulation there will result in more low grade wheat and coarse grain being fed to cattle thus relieving wheat markets to some extent. In addition there will be an immense amount of work for the railways in moving cattle both to the States and also to the feed lots of Ontario.

Improvement will be particularly noticeable in the ranching sections of British Columbia, in all Alberta, southwestern and northern Sask. all Manitoba, all Ontario and to a considerable extent in the eastern provinces as well. Under the quota mentioned there is provision for about 20,000 head of dairy stock and also a large block of calves. Both these will largely come from Ontario and Quebec.

A lower duty on cheese may also prove of very real benefit especially in Ontario and Quebec where this is a basic agricultural industry. This cheese is popular both for direct sale and also for use in biscuit manufacturing.

May Jump Buying Power

Now both the cheese and the beef cattle districts have been very depressed since 1930. There have not been many automobiles, radios or other semi-luxuries sold in those very large areas of Canada where these two products are of chief importance. If sales have been made payments have been slow. The latter statement is also true of taxes, of mortgage interest and notes given for farm machinery. It is also true of grocery, and other bills. In fact this market, except for the barest necessities has been practically lost to industrial Canada.

Other minor agricultural items to be affected probably favorably include clover and grass seeds, maple sugar and cream. The American concessions, however, are not particularly large and any big development hinges on higher prices.

Hits Market Gardeners

On the apparently adverse side of the picture is the reduction in duty on American fruits and early vegetables. Certainly this reduction looks as if it will hit the hot house and market gardening industry. However, despite the tariff protection of the last few years this industry has not been in healthy condition. Many market gardeners have been in debt for years. The reason is probably due to the very rapid expansion in green-house and truck crops in the last few years which in turn was the result of many people turning from unprofitable general farming to the more intensive sort of growing early vegetables and green-house stuff.

Prices of World Wheat Again on Competitive Basis

"It is not enough to say that world supply conditions justify the current price of Canadian wheat unless it is known that that price is on a competitive basis with the prices of other wheats which might be partially or wholly substituted for the Canadian variety," says the Monthly Review of the Bank of Nova Scotia, dealing with the recent changes in supply and price of wheat. For the first time in years the prices are now considered to be practically on this basis.

The accompanying chart compares the price of Canadian No. 2 Northern, with that of Argentina wheat (Rosafe) at Liverpool.

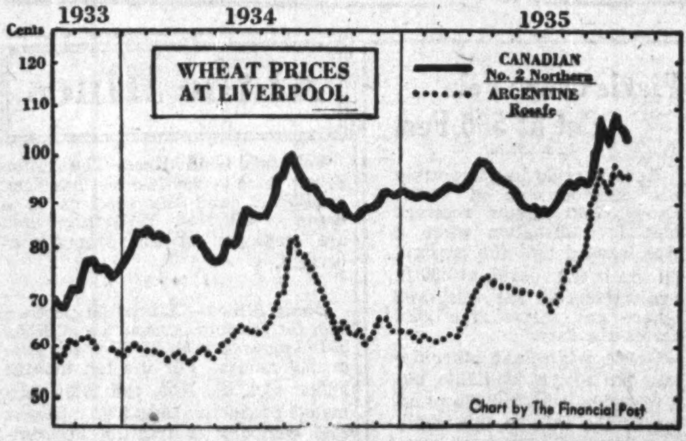

Chart by The Financial Post

Large Widening Noted

It will be seen by reference to the chart, that two years ago, in October, 1933, No. 2 Northern was quoted at a price about 13 cents per bus. higher than Argentina Rosafe. By February, 1934 the spread had widened to about 24 cents and a year later, in February, 1935 the difference had expanded to 31 cents per bus. Breaks in the lines indicates no quoted price.

Since that time the spread has narrowed, in recent months very rapidly, until during the first 22 days of October, No. 2 Northern was, on an average, only 9 cents more expensive than Rosafe.

Allowance For Tariff

When allowance is made for the preferential tariff of 6 cents per bus. on Empire wheat, the actual spread becomes only 3 cents. This difference appears to be warranted, for No. 2 Northern even in pre-depression days usually fetched several cents per bus. more than Rosafe on the basis of quality.

It was probably no accident states the Monthly Review, that the exceptionally small Canadian exports and the unusually large Argentine exports of the crop year, August, 1934 to July, 1935, coincided with the period of greatest spreads between the prices of Canadian and Argentina wheats.

At present the spread is small, not only between Canadian and Argentina varieties, but between Canadian and Australian wheat. In the light of this fact, viewed in conjunction with the reduction in the world's visible supply, it is no exaggeration to say that the outlook for export business is much better this season than last.

Canada's Wheat Revenues $25.5 Millions in October

Canadian wheat exports during October, amounting to 28.9 millions of bushels, valued at $25.5 millions, were sold at an average price of 88 cents a bushel, according to a Dominion Bureau of Statistics' report.

During the corresponding month last year wheat exports totalled 21.8 million bushels, valued at $18 millions, an average price of 83 cents a bushel. Export of wheat during the 7 months of the fiscal year ended Oct. 31 totalled 100.5 million bushels, valued at $84.4 millions, or slightly under the corresponding figure of 108 millions valued at the higher figure of $87 millions in the previous year.

INT. MILLING CO. EARNINGS LOWER, POSITION STRONG

Profits Are Equivalent to $10.17 Per Share on Common Stock

Improved working capital and lower earnings are shown by International Milling Co. in its report for the year ended August 31, 1935.

Net profit at $1.3 millions was approximately $150,000 lower than in the previous year. Earnings on the common stock were equivalent to $10.17 per share compared with $11.66 in the previous year.

Despite this reduction in profits, the company's results are much better than those recently reported by purely Canadian milling companies. This can be attributed partly to the fact that while the company operates three milling plants in Western Canada it does a larger business in the United States. As a result its operations were not as adversely affected by the drop in Canadian flour exports. It also has a big grain storage business.

Preference dividends totalled $278,508. This charge, however, has been substantially reduced as a result of the redemption of the seven and six per cent preferred stock through the issuance of five per cent shares.

Changes In Balance Sheet

The balance sheet as at August 31 last gives effect to the sale of $4.5 millions of five per cent preferred stock and the redemption of $3.2 millions of seven per cent stock and $843,500 of six per cent stock. The balance sheet also gives effect to an agreement for the sale of $1.5 millions first mortgage four per cent bonds of Lake and Rail Warehouse and Elevator Corp., a subsidiary company. These bonds, which are unconditionally guaranteed as to payment of principal and interest by International Milling Co., have yet to be issued.

Fixed Assets Increase

In accordance with the terms of the issue of the first preferred stock the assets and liabilities of all subsidiaries are consolidated in the balance sheet. In former years the assets and liabilities of Lake and Rail Warehouse and Elevator Corp. were not consolidated, the interest in that company being included as an investment. In 1934, the interest of International Milling in this company was shown at $1.3 millions. Largely as a result of its inclusion in the consolidated statement fixed assets are shown at $11.5 millions as against $7.9 millions a year ago.

Changes In Reserves

A number of changes are to be noted in the company's various reserves. Depreciation account is up from $2.6 millions to $3.5 millions. The increase includes the depreciation account of Lake & Rail Warehouse as well as annual provision made by International Milling. The contingent reserve for possible additional federal income tax on profits of Canadian subsidiaries has been increased to $291,000 from $288,000. Reserve for other contingencies has been reduced $59,000 to $90,000. Insurance funds reserves stand at $114,264 and pension reserve at $200,000.

For further details see company reports on page 13.

Sask. Wheat Pool Working Capital Is $6.8 Millions

From Our Own Correspondent

REGINA. — The Saskatchewan Wheat Pool annual statement reports working capital at July 31, 1935 of $6.8 millions. A gradual increase in growers' equity to 47 1/3 per cent or $11 millions is also announced, with liabilities at 52 2/3 per cent of the equity of $12.2 millions. Chief liability is the 1929 overpayment, guaranteed by the provincial government originally $13.7 millions.

The report states the increase in working capital has more than doubled since August 1, 1931 when it was $3.2 millions. The amount involved in capital expenditure during that period was $7.9 millions including the increased working capital. In liquidating and purchasing the Saskatchewan Co-operative Elevator Co., the pool spent $2.4 millions and in reducing the 1929 overpayment $1.4 millions were paid the government.

Operating revenue for the year ending July 31, 1935 totalled $7.4 millions and expenses $5.3 millions, leaving combined operating earnings of the county and terminal system at $2.1 millions before providing for depreciation and interest on the 1929 over-payment and other minor items. Operating earnings for the previous year were $2.3 millions before deductions.

The Saskatchewan elevators handled 44.59 per cent of all wheat delivered to country elevators in the province, compared to 43.51 per cent the previous year. Company records show 105,001 shareholders.

HIGHER PRICES PAID FOR CANADA'S FLOUR

Export Volume Also Rising in Current Crop Year

Exports of Canadian wheat flour are rising, and average prices obtained are higher than those of 1934, according to recent data based on Dominion Bureau of Statistics' compilations.

Significance of the trend is clearly shown by shipments in the first three months of the current crop year. August, September and October. Each month brought a rising export volume, and, with the exception of August, shipments were larger than those of the corresponding months in 1934.

Latest figures, for October, reveal that increased volume has not been secured at the cost of lower prices, but on the contrary that improvement is shown in average prices per barrel for flour export shipments.

August export shipments of 376,562 barrels were under the August, 1934, total of 412,089 barrels, but in September shipments rose to 395,640 barrels and likewise recorded a gain over the 369,320 barrels shipped in September, 1934. Similarly, in October, 501,442 barrels were exported compared with 485,549 in October, 1934, and the value placed on shipments last month was $2 millions, an average of $4.01 per barrel, compared with $1.9 millions, or an average of $3.96 per barrel in October, 1934, according to Dominion Bureau of Statistics figures.

Shortage of Seed Wheat Believed Likely this Year

From Our Own Correspondent

WINNIPEG.—The revised government estimate of the Canadian wheat crop, down 16,000,000 bushels from the previous figures, was considered decidedly bullish.

There is some tendency, however, to question it as being on the low side. The fact that deliveries of wheat by farmers so far this year closely correspond with the quantities delivered in the corresponding period last year suggests a crop of approximately the same size. If the latest government estimate is correct, there would seem to be a smaller percentage of wheat left in farmers' hands to market than is usual at this season of the year.

Lack of Seed Supplies

If the government estimate is correct, the explanation of the higher percentage of early deliveries would appear to lie in the number of farmers who have sold all their wheat, being unable, on account of its low quality, to retain satisfactory seed. There will be still further cases of this kind, and the total quantity of seed which will have to be purchased by farmers for next year's crop may well exceed that of all previous years.

Rusted wheat will germinate, but if very light in weight there is danger of the resulting plants being weak. Damage to germination by frost may be more or less severe, but it is a serious matter if even a small percentage of seed sown lacks vitality for germination.

Wheat Prices

(Cash Quotations)

	Aver. for wk. Nov. 9	Previous week
	$	$
At Winnipeg		
No. 1 Man. Hard	0.859	0.872
No. 1 Northern	0.847	0.858
No. 2 Northern	0.823	0.835
No. 3 Northern	0.768	0.781
No. 4 Northern	0.706	0.720
No. 5 Wheat	0.636	0.650
No. 6 Wheat	0.598	0.640
Feed Wheat	0.436	0.468
At Vancouver:		
No. 1 Northern	0.825	0.839
At Toronto:		
Milling Wheat	0.72	0.72

Competitive Export Prices: (November) shipment:

	High Week to Nov. 15	Low Week to Nov. 15
	$	$
No. 1 North. (Vanc.)	1.00½	0.98⅝
No. 2 North. (Atlan.)	0.95¾	0.94
No. 2 North. (Vanc.)	0.97⅜	0.96¼
Argentine Rosafe*	0.83⅛	0.80
Do., Barusso*	0.80¾	0.78½
West Australian (Dec.)	0.89¼	0.86¼
French	0.71½	0.70¾
Russian	0.87⅞	0.86¼

*New crop, shipment Jan.-Feb.

Key Facts About Wheat

	Week bu.	Prev. Week bu.	Same Wk. Prev. Year bu.
Canadian Wheat in Store:			
Terminal elevators (Nov. 15)	72,116,000	74,570,000	81,830,000
Country elevators (Nov. 8)	86,451,000	87,171,000	98,729,000
Total (all points), (incl. Nov. 8 Term. wk. Nov. 15)	158,567,000	161,741,000	180,559,000
World Shipm'ts. (incl. flour), (wk. Nov. 11)			
North American	4,197,000	4,089,000	4,232,000
Argentine	1,783,000	1,484,000	4,200,000
Australian	2,163,000	2,787,000	2,808,000
Others	2,504,000	2,312,000	1,128,000
Total (world)	10,647,000	10,672,000	12,368,000
Visible Supply:			
Canada (Nov. 15)	267,486,000	296,166,000	255,908,000
United States (Nov. 2)	90,406,000	91,197,000	113,525,000
Country Marketings and Exports:†			
Canadian exports (Nov. 8)	3,111,000	4,578,000	3,001,000
Cum. to Nov. 8 (14 weeks)	35,461,000	32,350,000	43,983,000
Country marketings (Nov. 1)	7,882,000	11,658,000	8,074,000
Cum. to Nov. 1 (13 weeks)	146,899,000	139,077,000	146,899,000
Country deliveries (cum. Nov. 15)‡	157,477,000	153,480,000	154,863,000
Country loadings (cum. Nov. 15)‡	117,099,000	114,427,000	114,999,000

†Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to Nov. 19, 1935

Crop year from Aug. 1, 1935 High	Crop year from Aug. 1, 1935 Low		Open Nov. 13	High for week	Low for week	Close Nov. 19
		Wheat				
.98¼	.82	Dec.	.83	.86⅛	.82	.84¾
1.02¼	.85⅝	May	.87⅛	.89⅞	.85⅞	.88¾
.98	.82	Nov.	.82⅝	.86½	.82	.85¼
.90	.86½	July	.87¼	.90	.86½	.89
		Oats				
.33⅛	.27⅛	Dec.	.28	.29¼	.28	.28¾
.35⅝	.29⅝	May	.30	.30⅞	.29⅞	.30⅝
.31⅛	.30	July	.30¾	.31⅛	.30½	.31
		Barley				
.39¼	.31⅝	Dec.	.33	.35	.32⅛	.33⅞
.42½	.34¾	May	.35⅞	.37¾	.35⅝	.36
.37¾	.37	July	.....	.37¾	.37	.37
		Flax				
1.48⅝	1.19¾	Dec.	1.38½	1.41¾	1.37¾	1.40¼
1.54	1.33	May	1.40	1.44¾	1.39¾	1.43
1.46¼	1.36	Nov.	1.42½	1.44⅝	1.40¼	1.40½
		Rye				
.49½	.37⅝	Dec.	.39¾	.43¼	.39⅝	.42½
.51⅞	.41¼	May	.43¼	.46½	.42⅞	.45½
.47½	.44¼	July	.44⅝	.47⅛	.45⅞	.46⅝

Wheat Exports

The United Kingdom was the chief purchaser of Canadian wheat in October. Out of a total of 28,919,421 bushels Great Britain took 23,365,472 bushels, about six million bushels more than a year ago. Value of the October export to the United Kingdom was $20,662,197.

Creamery Butter

The amount of creamery butter produced in Canada during the first nine months of 1935 was 194,704,168 pounds, compared with 191,356,694 pounds in the corresponding period of 1934, an increase of 1.7 per cent for the period.

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Week in Mining

A Year of Real Progress

* * *

Tax Protest Crystallized

The real "fiscal year" of the mining industry is closing just about now. With the approach of the freeze-up period, field engineers and prospectors report on the season's activities at the younger properties, and sum up the results. Winter development programmes are planned, and there is a period of general stocktaking all round.

How does the mining industry stand as compared with a year ago?

Despite the cold assertions of the graph at the bottom of this column, the mining industry has made definite progress in the past year. As stated in a headline elsewhere on this page, the ticker does not tell the whole story, and the mere fact that the index to mining stocks stands at about 125 as compared with about 130 in November last year means, from the long range point of view, very little. News from the properties during the year has been almost consistently good. That the market is not keeping up with this progress appears paradoxical, and may be credited to a certain extent to the popularity of the industrial section of the exchange.

True, there have been no tangible developments in the two big bugaboos of mining today, taxation and the price of gold, but, conversely, there has been no retrogression in this respect. No news again becomes good news.

A Year of Progress

SCANNING the news of the year, and taking one's eyes, for the minute, from the chart at the bottom of the column, it becomes evident that real progress has been made. While mining booms in one particular camp have, in other years, been more intense, it is noteworthy that this year has seen unprecedented geographical distribution of healthy young producers, which have provided good news aplenty. To mention only a few, McWatters, God's Lake, McKenzie, Red Lake, Pickle Crow, Arntfield, Lamaque, Perron, Shawkey, Central Patricia, Cariboo Gold Quartz and other junior producers, and coming producers, have all come very much to the fore in the past twelvemonth. Note the wide area covered by these names.

Even keeping one's eye on the aforesaid chart, there are grounds for encouragement. It is noticeable that the fall recovery on the market, the full effect of which is not yet shown, has been a very tangible one. It is a matter for conjecture as to what a clarification of the tax issue would do in the next month or two.

* * *

Taxation Situation

AS REGARDS taxation, it will come as a surprise to many to learn, as reported elsewhere, that semi-official Ottawa does not seem to be too kindly disposed to alter present taxation schedules. It may be that the opinions on which this belief is based are not yet in tune with the new regime at the Capital. Certainly, if pre-election promises mean anything some concessions appear due to the mining industry.

The protests of this industry against what it feels to be unfair tax burdens, were given voice at the annual meeting of the western division of the C.I.M.M. The remarks of J. Y. Murdoch, president of Noranda, and of George Bateman, secretary of the Ontario Mining Association are worth careful study, if only because they were made by men who are identified closely with the industry, and who are authorities on this particular phase of it.

The series of recommendations sent to Ottawa can hardly be called unreasonable, especially the clause asking for stabilization and codification of mining laws and taxation provisions throughout the industry. These recommendations ask little more than that already promised by Mr. King in his pre-election speech in Vancouver.

* * *

Little Long Lac's First

LITTLE LONG LAC Gold Mines has made oracles out of a number of market wisemen by declaring the much anticipated dividend. It is a healthy dividend for a year old producer, amounting to 10 cents per share, and involving a disbursement of $183,300. Little Long Lac's mill started November 24, 1934.

This dividend-on-the-first-birthday seems to be getting to be a habit, McWatters Gold Mines, as reported in a recent issue of The Post, having declared its initial dividend a little over a year after production started.

* * *

Reciprocity and Mining

THERE is nothing of startling importance for mining in the new Canadian-United States trade agreement, and the mining market's apathetic reaction to the announcement tells the tale. What small benefits there are, however, are all to the good, and for small governmental mercies, these days, the mining industry is thankful.

A number of miscellaneous mineral products have gained freer access to the United States, and others, chiefly gypsum, an important industry in Nova Scotia, are assured continuance of free entry.

In addition, a reduction in import duties on certain types of mining machinery has been allowed, but, as shown elsewhere in this issue, the total amount involved is not large, and mining costs will not be materially affected.

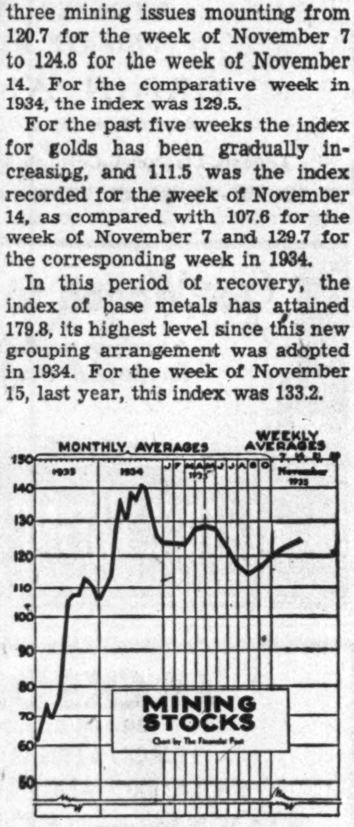
* * *

Index to Mining Stocks

UPWARD progress in prices, resulted in the index of twenty-three mining issues mounting from 120.7 for the week of November 7 to 124.8 for the week of November 14. For the comparative week in 1934, the index was 129.5.

For the past five weeks the index for golds has been gradually increasing, and 111.5 was the index recorded for the week of November 14, as compared with 107.6 for the week of November 7 and 129.7 for the corresponding week in 1934.

In this period of recovery, the index of base metals has attained 179.8, its highest level since this new grouping arrangement was adopted in 1934. For the week of November 15, last year, this index was 133.2.



WORK AT ARDEEN GIVES SOME HOPE FOR DEEP VALUES

Production Hampered by Shortage of Power

From Our Own Correspondent

FORT WILLIAM.—Ore is being run through the mill at Ardeen Gold Mines, and while the installation is working at reduced capacity due to temporary power shortage the operation is gradually working toward its 1936 objective of full capacity at 200 tons daily. Diesel power has been reduced by difficulty with one engine, which when repaired, will permit steady operations. Ardeen has responded satisfactorily to development resumed in mid-summer.

Drives at the lowest level in the mine, 1,000 ft., have now opened a 300 ft. length of new ore over a width of 4.5 ft., which averages $12.50 per ton gold for that distance and width. On the 875-ft. level, two stopes have been timbered, and ore is being hoisted to the bins from these bodies. Broken ore from these stopes will be mixed with lower grade material developed on the 500- and 375-ft. levels. The two stopes on 875 show ore grade of $17.60 over four ft., while one stope on the 1,000-ft. level which has been timbered, grades $20 for an estimated 4,000 tons.

Drill Cuts No. 2 Vein

Diamond drilling has been under way for some time, and recently cut a width of 12 ft. of vein matter in the No. 2 vein from two drill holes angled at 40 and 60 degrees, respectively, from the 1,000-ft. level. Assays are not yet available but the 12 ft. material is well mineralized, and appears to confirm the existence of the vein's strength at lower horizons than have yet been tapped with lateral exploration.

Grab Samples from N. W. Ont.

From Our Own Correspondent

LONG LAC.—A re-study of diamond drilling results obtained by Long Lac Lagoon Gold Mines, has indicated ore chances not heretofore co-related. The company management proposes to do some further financing to permit shaft sinking and open the indicated vein.

Cores from the 200- and 300-ft. horizons with hitherto seemingly unrelated intersections now suggest at least six possible vein systems, in the opinion of Lawrence B. Wright, consulting engineer. Long Lac Lagoon lies west of Little Long Lac Gold Mines, and holds 52 claims. It is one of the largest property holders in the area.

* * *

Newmont in Patricia

Revival of activity in one of the more remote sections of Patricia District is foreshadowed by a deal whereby the properties of Favourable Lake Mining and Exploration Co., and the K. V. P. Syndicate have been optioned by Newmont Mining Corp.

This extends the Canadian exploratory efforts of the U.S. company and brings to the Favourable Lake section a renewal of the gold search which was at its height six or seven years ago. Airplanes will play a leading part, since Favourable Lake is far to the north and west of Red Lake, and about 50 miles south of the Island Lake, Manitoba area.

Newmont's deal for the above properties calls for formation of a development company.

Silver Trading

Trading in Montreal
Nov. 12 to Nov. 16

	High	Low	Close	Contracts
Nov.	65.92	65.83	65.90	8
Dec.	65.71	65.61	65.71	15
Mar.	66.07	65.80	65.85	3
May	66.30	66.15	66.25	14

FOURTH BIG DROP IN COPPER STOCKS EASES PRESSURE

World Supplies Continue Decline, Rousing Optimism

The fourth consecutive sharp decline in world copper stocks, which brings the world stock of refined copper to about 496,500 tons, or the lowest level in several years, is revealed in October statistics circulated within the industry. It is estimated that world stocks of refined copper declined 35,101 tons during October. United States domestic stocks declined roughly 14,700 tons to total 226,300 tons at the end of October, against 241,000 tons at the end of September.

In addition, world shipments of copper for consumption during October set a new high since October 1929, totalling 164,500 tons against 129,847 tons in September, or an increase of 34,653 tons.

These figures are arousing definite optimism among copper men. In reporting on October developments at Roan Antelope Copper Mines, A. Chester Beatty, chairman, remarked: "Now for the first time since 1929 the copper market is free from the selling pressure usually induced by the existence of heavy stocks." Mr. Beatty estimated October net of his company at about £45,000, which compares with a net of £99,000 for the entire third quarter.

Coincident with this report, Anaconda Copper Mining Co., reporting on the first nine months of 1935, shows consistency in its earnings by quarters for the year to date, although no details are given on October results. Net for the third quarter was equivalent to 30 cents a share, compared with 33 cents per share earned in the second quarter, and 27 cents per share in the first quarter.

MOOSHLA PLANS TO DEEPEN SHAFT TO 36 FT. LEVEL

Issue Detailed Report on Present Status of Property

Reviewing operations at Mooshla Gold Mines, development of a group of claims in Bousquet Township of Quebec, H. S. Denny, a consulting engineer, states that a steam plant has been purchased and that the shaft on the property will be sunk to a depth of 360 ft. with crosscuts at 230 ft. and 345 ft. Lateral work will be carried out on these horizons. It is estimated that the cost of this work will be $42,000, and it is hoped to have it completed six months from the date of starting.

The report covers in detail the various stages of development at the property, the entire programme culminating in construction of a 50-ton mill to cost $322,000.

Mooshla Gold has an authorized capitalization of $200,000 in $10 par value shares. Of this amount, $123,160 has been issued. Taking the unissued stock at par value, it is estimated that it would produce $78,000.

Provided that the present stage of development, when completed, gives satisfactory results, the company intends to increase its capital to $300,000, providing 10,000 shares to be sold at an average price of $30 per share.

Development work to date on the property has, Mr. Denny states, proved continuity of value to a depth of 127 ft. and on strike a length of 74 ft. The drift will now be continued to prove the limits on strike. The summer's exploratory work on No. 20 vein of Young-Shannon Gold Mines in Chester Township, north of Sudbury, has resulted in testing ore occurrences along the strike for a distance between east and west pits at open cuts of 6,900 ft. Cyril T. Young, president of the company, reports. The latest test by bulk sampling from several tons of ore at the most easterly showing on the ore zone yielding $4.80 per ton on the average of all assays, eliminating free gold and high assays. Drilling the two easterly showings will probably await the formation of ice, as they are located on shoals below the water level and on the shore line.

BEAUFOR GOLD OPTIONS SHARES

Position of Company Outlined By President in Letter to Shareholders

From Our Own Correspondent

MONTREAL. — Shareholders of Beaufor Gold Mines are in receipt of a communication from the management to the effect that with the proceeds of the sale and option of stock to Nesbitt, Thomson and Co., available for development purposes, the actual ore reserves should be increased to a point enabling the mine to operate on a profitable tonnage basis.

At a meeting held in June shareholders of Beaufor Gold Mines decided to organize, under the name of Beaufor Mining Corp., a new corporation with a capital stock of 3,000,000 shares of $1 par value, to which they have transferred the assets of the company for 1,500,000 shares, the balance of the shares of Beaufor Mining Corp. being sold and optioned to Nesbitt, Thomson & Co. for $425,000, exercisable by monthly payments which may run for a period of twenty-eight additional months.

"The total of shares of Beaufor Gold Mines now held by the public is such that it could be exchanged for shares of the Beaufor Mining Corporation on an approximate basis of three shares of Beaufor Gold Mines for two shares of Beaufor Mining Corp. when the shareholders of Beaufor Gold Mines shall so decide at the termination of the aforesaid option in favor of Nesbitt, Thomson & Co.," the letter to shareholders states.

Beaufor Mining Corp. has granted a long lease to the Perron Gold Mines on the northern part of its property in virtue of which the Perron Gold Mines will build its mill, sink a shaft in the immediate vicinity of that mill and crosscut in the said northern section in order to enable it to join that shaft to its property located immediately north of the Beaufor Mining Corp.

Tickers Don't Tell

The Market Action of Young Producers Shows Strange Similarity—Mill Construction Ignored

Market proverbs to the contrary, the ticker does not always "tell the tale."

Or perhaps it would be better to say that while the ticker may tell the tale, it tells it in its own way, a way which does not always reflect the known facts about a given property.

Take the case of the dozen or so young mines which have come into production in Canada during the past year. A comparison between the week by week developments at the property, as reflected in the news stories in back numbers of The Financial Post, and the market action of the stock shows a remarkable similarity in general trends, after making allowance for broad market movements.

In nearly every case, the relationship between property progress and market prices bears a striking similarity. Here is the trend:

Mill Announcement

The announcement that a mill is to be built is made, and the stock starts to climb. Higher and higher go the hopes of the public, more and more optimistic become the forecasts of what the mill will do when it actually starts. As a result, the market reaches its peak weeks, and sometimes months before the mill is even ready to turn over.

All this time, in the case of most well-managed concerns, ore reserves, grade, and cost estimates are available to the public. But the public prefer to base their estimate of what the property will do on hope, rather than on known facts.

Strange Paradox

Eventually the mill is ready to start. First production reports usually run fairly close to the cold forecast of pre-production figures. The public is disappointed, despite the fact that operations at the property are entirely satisfactory. The market starts to weaken.

This is such a common situation that its paradoxical nature often escapes notice. The paradox of course, is that shares of a company actually earning are cheaper than they were when the company was earning nothing.

The pre-production peak is not merely the result of discounting future earnings. It is psychological, rather than mathematical, as shown in the fact that not for many years does the company earn anything approaching the profits necessary to justify this pre-production peak.

Facts Usually Known

Nor is this rise the result of sheer gambling on the part of the public. It is generally a comparatively easy matter, months before a well-managed company starts production, to estimate what its operating profit per share will be. There is no unknown factor on which to gamble.

It must be admitted that one reason for this market action is the fact that most of the shareholders in a junior gold are in there for speculation, and not for investment. The speculative fever is a strange thing, and its victim often has roseate dreams, which are in strange contrast to the cold facts of the situation.

Omega Gold's Power To be Ready by Dec. 1

Power will be ready by Dec. 1 at the property of Omega Gold Mines, recently formed under management of Castle-Trethewey Mines to work the old Crown Reserve property, The Post learns from official sources.

Under the contract with the Hydro-Electric Power Commission of Ontario, Omega is advancing $65,000 against transmission line costs, to be repaid out of power bills. Power will be supplied at 26,400 volts, and the mine will pay $32.50 per h.p.

Work on construction of the mill buildings, and installation of machinery is continuing up to schedule, and it is officially expected that the first unit, with a capacity of 300 tons per day, will be ready for operation before the end of this year.

Another reason, it might be argued, is that prior to production, the company is in need of funds to complete development, is inclined to support the market. Once production has started, and the company, theoretically, is no longer in need of funds, support for the market is withdrawn. While this pre-production support undoubtedly exists in many companies, the fact that in the examples cited below, a shortage of funds was not a factor just before production, rather spoils this argument.

In the accompanying charts, the market action during the period of entering production has been traced. In making these charts, the mean between the high and the low for each month has been taken. While this does not, of course, always present a true picture, it has the advantage of eliminating non-significant fluctuations, and yet illustrates the point.

McWatters Gold

In the case of McWatters Gold Mines, the picture is slightly obscured by the fact that the company started in production with a 50-ton mill in August, 1934, and shortly afterward the construction of a 150-ton capacity cyanide unit was announced. As a result, the pre-production peak occurred between the time the 50-ton unit started, and the time the 150-ton capacity unit started, which was last September. After sliding down from this peak, the stock started to climb again, yet never attained the level reached before the larger mill had even started.

In spite of the fact that this company recently declared an initial dividend, the market price has not yet reached the high mark of $2.15 per share reached on March 11, 1934, months before the 50-ton mill started. At time of writing, the market price is about $1.60 per share.

Pickle Crow Gold Mines, the almost sensational Patricia producer, behaved much the same way during the initial production period, although the stock has since climbed to new heights as the result of favorable developments at the property. Early in March, of this year, a month before the property was in production, the stock reached a pre-production high of $2.96. In May, a month after production was well and satisfactorily started, the stock hit a low of $2.10. In this case, ore reserves, grade and probable operating costs were known long before the mill started. But nevertheless the market declined steadily, as shown in the accompanying chart, until favorable milling reports pulled it out of the decline early in June, and started it on its rise. Now the stock is selling at around $3.20 per share, October output being the highest so far.

The most striking example of all is provided by God's Lake Gold Mines, the new Manitoba producer. Nobody would deny that mill results have been all that official pre-production estimates claimed. Yet in the late summer of 1934, almost a year before the mill started, the stock was selling at well over three dollars. Currently, this stock is selling at around $1.35. Did those persons who were buying the stock at $3 per share and over last summer, a price more than twice what the stock is selling at today, really believe that in some miraculous manner the grade of reserves as shown in official reports would double, or that costs would be cut in half?

McKenzie Red Lake

One more example. Back in July, 1934, McKenzie Red Lake Gold Mines was, as far as the public was concerned, just another coming producer. The company's officials had been commendably careful to keep the public informed of true conditions at the mine, and developments since that date have shown the conservative nature of this information. Yet in July, 1934, the stock reached $1.74 per share. Today, after the property has given a satisfactory account of itself as a producer for nearly nine months, the stock is around $1.20.

These are only four examples, taken at random from the ranks of the new producers. But they are sufficient to illustrate the chief point of this article, namely that public optimism is, almost inevitably, far in excess of concrete facts. More than that, apparently the investing public, or a large percentage of them, are definitely unwilling to accept concrete facts, or concrete estimates.

It would be a hard thing to argue logically that these phenomena are a good thing for the mining industry. These four properties would be just as good today if the pre-production peak had never materialized. The Canadian mining industry requires investment of money for constructive development of producing properties more than it requires the speculation of money in options on possible profits.

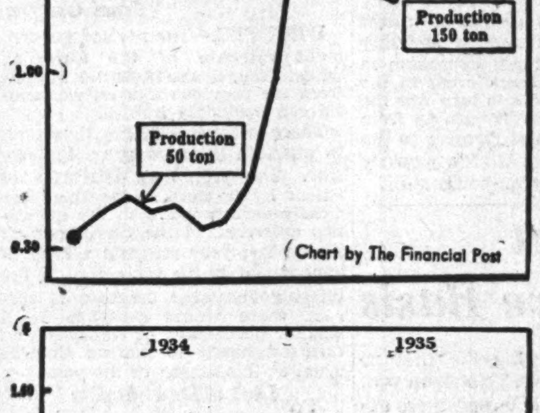
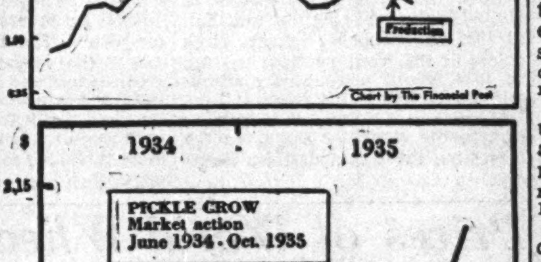


Chart by The Financial Post



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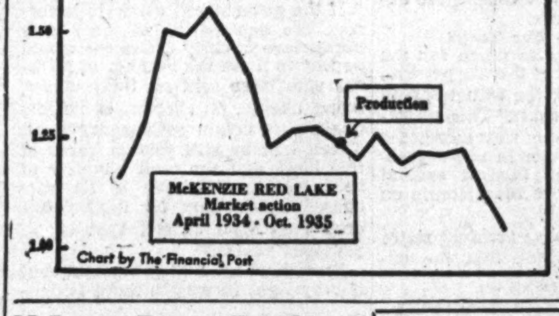

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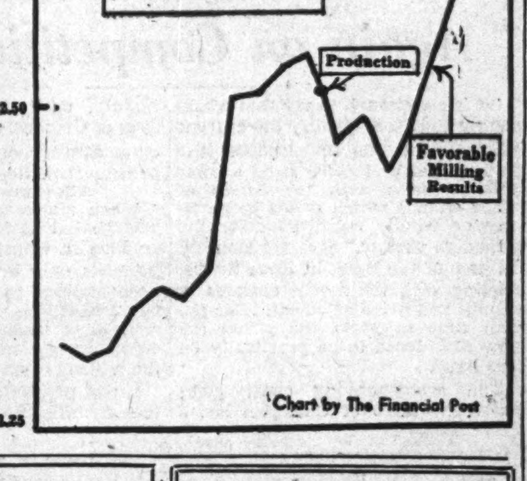

Chart by The Financial Post

McIntyre Denies Purchase Power Site For Mud Lake

Officials of McIntyre Porcupine Mines, in conversation with The Post, intimates that there is no truth in the report, apparently emanating from Noranda, to the effect that the company plans to purchase a power site to facilitate work on its Mud Lake property. It is understood that Diesel power, rather than hydro-electric power, will be the motivating force in this development.

Siscoe Taxes in 9 Months Higher Than All Last Year

Net profits after all charges of $768,257 are shown by Siscoe Gold Mines for the nine month period ended Sept. 30. This is equivalent to 16.17 cents per share, compared with a net profit of 19.01 cents per share in the similar period last year.

During the nine months the company milled 112,046 tons of ore with a gross income of $1,707,061. In the corresponding nine months of 1934, 89,500 tons of ore was milled for a gross income of $1,552,371. Increased taxes are largely responsible for the slight decrease in net earnings. For the nine month period, taxes paid exceeded those for the whole 12 months of 1934. During the nine month period under review federal, provincial and bullion taxes amounted to $189,942, as compared with $137,143 for the corresponding period last year.

Depreciation was estimated at $88,868, and operating costs rose from $453,680 a year ago, to $659,994 this year.

Pickle Crow Vein Cut at 500 Feet

Rumors regarding important ore developments at Pickle Crow Gold Mines received official confirmation when it was learned that the crosscut on the bottom level, at 500 ft. has intersected the vein, and where cut shows free gold across the face.

Grade, width, and other details are not yet available, but it is understood that the proving of the vein at this depth may have an important bearing on production.

The news of this intersection had a marked effect on Pickle Crow stock, which reached the high for the year on receipt of the news.

Bobjo Mines Ahead On Knee Lake Option

Bobjo Mines has taken down, under its option, from the Knee Lake Gold Mines 500,000 shares at 30 cents per share, all the stock which Bobjo is required to take down up to and including March 1, 1936. The total price is $150,000. Bobjo has now paid for and taken down 10,000 shares at 40 cents. These are some of the shares due to be taken down under its option by July 1, 1936. The information was revealed by H. R. Drummond-Hay, solicitor for Bobjo.

At the property the shaft is down 325 ft. Widths varying from 36 in. to 22 in. have been obtained from drifting.

At the Mines

Bankfield Gold Mines—The station at the third or 400-ft. level has been completed, and the shaft is at a depth of 408 feet. Fifty-three men are employed at the property at present.

* * *

Dome Mines—Estimated production for October is reported at $555,892 compared with $570,158 the preceding month. For the ten months ended Oct. 31, 1935, the total estimated production was $5.7 millions. The company is treating approximately 46,500 tons of ore per month.

* * *

Edgecreek Consolidated Gold Syndicate Ltd.—A notice has appeared in the Ontario Gazette increasing the number of directors of the Edgecreek Consolidated Gold Syndicate, Ltd., from five to seven.

* * *

Hardrock Gold Mines—The shaft at the Hardrock Gold Mines has reached a depth of 375 ft. Drifting is completed at the 200-ft. level and at the 325-ft. depth and the management is preparing to sink to the third level to be established at 450 ft.

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See Ottawa Unimpressed As Mining Men Give Voice To Taxation Disapproval

Speakers at C. I. M. M. Assail Schedules as Unfair

"KILLS DEVELOPMENT"

Series of Recommendations Sent to Ottawa—Seek Stable Government Policy

Although an editorial member of The Financial Post staff, recently in Ottawa, gathered from reliable sources that there was little possibility of the new régime giving favorable consideration to any change in the present federal taxation on gold mining companies, present tax schedules continued to be bitterly assailed by mining men, many of whom foregathered recently in Vancouver, for the annual meeting of the western section of the Canadian Institute of Mining & Metallurgy.

Ottawa feels, The Post learns, that although gold mining companies are taxed merely for income along with other Canadian corporations, they are taxed on a much more lenient basis.

In other words, argues Ottawa, instead of a 13½ per cent tax as in the case of other companies, gold mining concerns are allowed a 33 1/3 depletion reserve which cuts their actual tax down to about 9 per cent.

There appears, however, to be hope that the federal government will take steps to achieve stability and uniformity in taxation by seeking the co-operation of the various provinces in which gold is mined and taxed.

This appears to be the Ottawa view in brief, although, of course, no official announcement has been made. It is in sharp contrast with the view taken by mining men.

Send Recommendations

After hearing the present taxation criticized by several speakers, the western division of the C.I.M.M. decided to petition Ottawa for a lessening of mine taxation. At the suggestion of J. Y. Murdoch, president of Noranda Mines, the following recommendations have been forwarded to Ottawa:

"(1) That the depletion allowance for company and shareholder be restored to its former amount—50 per cent for gold-mining companies and 33 1/3 per cent for base metals; (2) that an agreement be sought between the various provinces and the Dominion as to proper allocation of tax revenues, which will not be greater in the aggregate than the industry may properly bear and progress; (3) that efforts be made to simplify inheritance tax procedure to prevent duplication, and (4) that every possible effort be made to assure investors that they will receive equitable and sensible treatment.

Burdensome taxation has slowed up the mining industry of Canada and will act as a constant brake to new development until it is made more equitable and moderate, Mr. Murdock stated.

The lives of existing mines will be considerably shortened and the probability of finding new ones lessened unless the industry is granted relief from excessive taxation, he maintained.

"The aggregate burden of direct gold mining taxation in Canada now amounts to over 40 per cent of the final net profits," said Mr. Murdock, "having regard to proper allowance being made for exhaustion of the ores. This is far too high. We are stunting our future.

"It has been proved many times that there is a definite limit to the assessment that can be levied upon any business of a hazardous or speculative nature such as mining. It is my firm conviction that mine taxation and regulation have already exceeded this boundary.

"Those who still regard mining as fair game for increased taxation regard the industry as a gamble—an idea which probably originated in the days of the Klondike and the days of '49. Constant flow of new money is required in mine development and while it is preferable that this money should be Canadian the door should be left invitingly open to foreign capital. If our own people are not convinced that they will have a run for their money, how can we hope to obtain foreign capital for the finding and development of new mines?" Mr. Murdock asked.

George C. Bateman, secretary of the Ontario Mining Association, and a known tax authority, also thought high taxation threatened the industry.

"The mining industry does not ask for special consideration," said George Bateman, secretary, at the C.I.M.M. session. "What it wants and what it requires, if new developments are to keep pace with depletion of existing mines, is fair treatment, no discrimination, reasonable taxation and stability in government policies. Given these things, mining will work out its destiny, and will continue to create new opportunities for capital, new sources of employment and new markets for supplies.

"During the past few years we have seen a decided trend toward national socialism. 'Soak the rich' has become more than a slogan. It has become a fact. We have come to the point where we have put the unemployable on practically the same basis as the unemployed. We take better care of the mentally and physically deficient than we do of the intelligent. We neglect those with the divine spark and lavish money and training on pinheads."

Can't Find Activity At Neville-Canadian

From Our Own Correspondent

SUDBURY.—Despite recent reports emanating from Toronto, there is no evidence of activity at the Neville-Canadian Mines. A few weeks ago it was announced that finances were on hand and that an agreement had been entered into with Bramor Mining (Ontario) Ltd. for the installation of a 30-ton mill, with the possibility of further units being added at a later date. A visit to the property during the last few days, however, reveals that there is no such mill installation as yet and that no activity whatever is in evidence at the mine.

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MANITOBA GROUPS TO WORK DEPOSITS OF COPPER-NICKEL

Important Merger Floated After Year of Negotiations

LIKE SUDBURY

Engineers See Similarity in Geological Formation Near Great Falls

From Our Own Correspondent

WINNIPEG. — Amalgamation of important mining properties in the Bird River and Bear River district of Manitoba has been consummated following nearly a year of negotiations. The properties are now consolidated under the name of Great Falls Mining and Smelting Ltd., operating under a Manitoba charter and capitalized at 3 million shares $1 par value.

Mentioned in the papers of properties incorporation are Thomas R. Deacon, John A. McCulloch, C. L. Gillis, D. S. McLeod and G. Lyman Van Vliet. The properties now under one management include the former Devlin Mining and Development Co. and three other groups. It is divided between the Bird River and the Bear River and on the property as a whole during the last 15 years upward of $100,000 has been spent in diamond drilling, trenching and other development work.

Copper Nickel Values

One of the most important factors is accessibility both to railhead and to hydro-electric power, as they lie within 12 miles of the city hydro at Point du Bois, and are only 22 miles from Great Falls.

The claims in the Bear River district were formerly known as the Mayville group and nearly 2,000 ft. of diamond drilling indicated 300,000 tons of ore averaging better than 2 per cent copper-nickel together with precious metal values running up to $3 per ton at former gold and silver values and, of course, considerably more than that at the present prices for these two metals.

Bird River Claims

On the Bird River claims, 32 in number a mineralized zone more than 5,000 ft. in length and from 50 to 200 ft. in width, has been disclosed, while on another mineralized zone a trench 94 ft. in width gave 1.4 ounces of silver, 4.1 per cent copper and also carried small values in gold.

Another 12 feet in width gave 2.9 ounces silver and 7.3 per cent copper. The third in this series averaged 2.8 ounces silver and 7.4 per cent copper.

Another section, exposed for 800 ft. in length gave small gold values, 3.4 ounces silver, lead 2½ per cent, copper 2 per cent, and zinc 6.1 per cent.

In engineers' reports the distinct similarity between this section, with its exposed mineralized zones and those of the Sudbury basin district, in which are located the great copper-nickel mines of Canada is noted.

DARWIN OFFICIALS HOPE TO MAINTAIN VALUES OF .5 OZS.

Visit Shows New Shaft Down 330 ft.

From Our Own Correspondent

SUDBURY.—The new three-compartment shaft at the Darwin Gold Mines in the Michipicoten area was down 330 ft. early in the week, and the work was progressing at the rate of six ft. per day. The objective for the present is 800 ft., and it is planned to drive crosscuts to the present workings at 300, 400 and 500 ft. Previous to being taken over by the Darwin, the Grace vein had been opened by an incline shaft down 400 ft. In deepening this shaft another 100 ft. developments were so favorable that decision was made to extend underground operations and open up the property through a new shaft.

Darwin became a producer on November 4, when the new 50-ton mill was placed in operation. It was too early, on a visit to the property last week, to secure any estimate of mill grade or recovery, but the management hopes to maintain average values at around one-half ounce of gold per ton. With slight alterations the mill capacity can be increased. Some 85 men are employed at the property.

Gold Alluvials of B. C. Makes Rapid Recovery

From Our Own Correspondent

VANCOUVER. — Its two new Crossley 500 horsepower engines installed within three months after the fire that destroyed powerhouse and equipment, Consolidated Gold Alluvials of B. C., Ltd., British-owned concern operating at Wingdam, Cariboo, has resumed operations.

Ian C. Sanderson, managing director, expects that bullion production will be steadily increased during the next few weeks. An output of 600 cars a day is hoped for. Most of the work is now concentrated at the Sanderson mine, where richer ore is being encountered.

Operations in the Melvine shaft will be started shortly. This has been sunk 280 ft. so far. A tunnel has been driven several hundred ft. under the pre-glacial gutter which contains the gold. Holes were bored upward through the mouth of this main tunnel and the water allowed to drain away. This method is similar to that practised in some goldfields in Australia where silt has been a serious obstacle to the miners. For generations Cariboo "Slum" has impeded deep operations by placer miners and the Australian plan may be a means of overcoming this. So far, the method appears to be satisfactory.

The two new engines were brought out from England. Installation was one of the quickest on record. Two engines damaged by fire are being reconditioned.

Brass and Copper Products

Five concerns in Manitoba and one each in Nova Scotia, New Brunswick and Alberta engaged in the brass and copper products industry in 1934 had a combined output valued at the factories at $998,254, compared with $930,427, the previous year.

Gunnar Groomed for Production

Above is a recent photograph of Gunnar Gold Mines, at Beresford Lake, Manitoba. Foundations for a mill, which is scheduled to be ready by early spring, have already been completed. Heavy machinery for the mill will be shipped in during the winter months. In the above picture are seen ore dumps, the shaft house, power house and water tanks. Offices and bunkhouses are to the left.

Horwood Lake "Gold Rush" Is Fertile in Imagination

From Our Own Correspondent

SUDBURY.—Some additional activity has been reported in the Horwood Lake area as result of the advent of Hollinger into the district. It is hardly sufficient, however, to justify the report in a Toronto evening paper that "20,000 claims had been staked and recorded at the Sudbury recording office since the original discovery of the area and formation of Groundhog Gold Mines Ltd., two years ago."

When it is considered that a township contains on an average 500 claims, it will be seen that the above figures would mean that 40 townships were staked solid—not at all a likely devlopment. As a matter of fact, since the Sudbury mining recorder's office was opened in 1905 —just 30 years ago—the total number of claims staked over the whole division, roughly 300 townships, has been slightly more than 29,000.

Hollinger is presently engaged in its campaign of underground development of the Smith and Thorne claims, numbering 50 in all, and has optioned additional claims in the area. Camps have been established and supplies and plant taken in for an energetic winter's campaign, mapped out on information obtained from diamond drilling performed early this year by the owners of the claims.

Recently a new discovery in the Horwood Lake region was made by Bert Jerome, of Westree. This find was made about three miles north of the Hollinger workings. The Jerome showings, it is stated, have been traced for a distance of 1,900 ft., and panning yielded free gold.

Mining Enquiries

Little Long Lac

As a subscriber to your valuable paper I would like to have the following informations:

Is there a pool in the stock of Little Long Lac? If so, when will that pool end?

Are developments at the mine such as to make an early increase in daily tonnage probable?

There is at the present time no pool on the stock of Little Long Lac. Originally, the vendor stock was pooled, we understand, but this pool was broken over a year ago so that all the issued stock, amounting to 1,833,000 shares is now free.

As for possibilities of increased tonnage, ore conditions at the mine indicate that an increase over the present 200 ton per day capacity might be warranted. However, we understand that officials of this company are postponing any decision in this regard until they have a still clearer picture of underground conditions. You probably recall that in September of this year, the tonnage was increased to 200 tons per day from the 150 tons previously in effect.

Ventures Ltd.

I would like a very brief report on Ventures Ltd. and its prospects.

Ventures Ltd. acts as a promotion, holding, investment, trading, exploration and development company, and is the key company for the various Lindsley enterprises. The diversity of the company's holdings and investments gives the stock unusual security. At the present time, the company has substantial interest in producing and promising gold mines including Siscoe, Sullivan, Consolidated Gold, McWatters, Matachewan Consolidated, Bulolo Gold Dredging, and many others. The company's nickel subsidiary is the Falconbridge Nickel Co. In addition, the company is continually examining properties throughout Canada and investing in those properties thought to be of merit. While at the present time the only income from this company is from the Falconbridge and latterly from McWatters, it is expected, in mining circles, that Ventures will declare a dividend early next year. The amount is not expected to be large in view of the exploratory nature of most of the company's holdings. This company is a promotion of the Lindsley group.

Nordic Sturgeon

Will you please advise me regarding the rehabilitation plan of the Sakoose-Nordic Sturgeon Gold Mine, as outlined by The International Fiscal Corp. of Toronto?

Will it be advantageous to purchase more stock in order to escape the pool arrangement which ties up the money for two years? The representative of International Fiscal Corp. tells me that I shall be able to release a considerable portion of the money tied up in December, by purchasing new stock, as the shares are to be put on the market at 85c. at that time.

It does not seem fair that anyone with money available can have more advantages than the other shareholders of Sakoose.

The arrangement to which the agent of International Fiscal Corp. referred is purely a sales plan on the part of this Toronto corporation.

The situation regarding Sakoose is as follows: when Nordic Sturgeon Gold Mines took over Sakoose, Sakoose received as consideration 759,603 shares of Nordic. The Ontario Securities Commission stipulated that this stock which is considered as vendor stock must be pooled for at least two years. Eventually Sakoose shareholders will receive one share of Nordic for each 2½ of Sakoose. All Sakoose stock, in the meantime, is being turned in to the Guaranty Trust Co. of Canada which is acting as transfer agent.

In the meantime, an attempt is being made to sell additional Nordic Sturgeon treasury shares at, we understand, 75 cents per share. The proposition which International Fiscal Corp. is putting to you is that if you buy some of this treasury stock they will in December "buy" back your vendor stock at 85 cents a share. International Fiscal Corporation will, of course, have to retain this stock until the pool is broken.

You can see that this is purely a bonusing arrangement. There is little indication that Nordic Sturgeon stock will be marketable at 85 cents in December.

Wylie Dominion

Attached clipping is from your issue of October 26. I hold 100 shares of Wylie Dominion but this is the first knowledge I have of a proposed revamping of the company.

Would you be good enough to let me know the address to which I should dispatch any enquiries?

In the event that you should wish to refer to them, articles covering the alternate steps in the reorganization of Wylie-Dominion were covered in The Financial Post of September 21, October 5 and November 9.

Briefly, under the new arrangement, Gurney Gold Mines has the same authorized capitalization as Wylie Dominion, namely, three million shares, which will be distributed on a share for share basis, subject to suitable escrow provisions.

If you wished to get in touch with the company, we would suggest your writing to Wylie-Dominion Gold Mines, Winnipeg.

Mabell Mines

Being the holder of a number of shares in the Mabell Mines, I would be very thankful if you could let me have some information about this company. Is it operating? Is there any hope of recovering the money invested?

Mabell Mines was succeeded in 1934 by Nubell Gold Mines.

Our latest information in connection with Nubell is that the company is seeking funds in order to continue developments on the Louvricourt Twp. property, a gold prospect. Drilling has indicated some fair values but the extent of the ore is not determined and this property remains practically in the raw state. In addition, the company owns a copper prospect in Clericy Twp. in Quebec. This property is not under development at the present time and we have heard of no plans to resume development work. Shareholders of Mabell Mines will receive one share in Nubell for each two shares of Mabell held. Briefly, this company is still a prospect and one that has not had a chance as yet to demonstrate its merits.

Nicola Mines

Would you be kind enough to give me the latest figures you have on Nicola and if it is progressing?

You will notice on page 18 of The Financial Post for November 16 an article analyzing the recently issued annual report of Nicola Mines and Metals.

Making due allowances for official optimism, conditions at the British Columbia property seem definitely to have improved. Development under the new management has been business-like with the result that, as you will notice in the article mentioned above, a substantial body of ore has been opened up. Otherwise, we believe most of the information you seek will be contained in the article referred to above.

Gold Lake Financed Under Hopkins Option

From Our Own Correspondent

WINNIPEG. — Definite announcement that Gold Lake Mines is financed through to production and that work on shaft sinking is to commence immediately, is made by T. C. Anderson, president. Percy E. Hopkins, consulting geologist of Toronto and who has also acted in that capacity for Gold Lake, has undertaken the financing and has optioned 1.6 million shares to net the treasury, when fully subscribed, about $500,000. Mr. Hopkins supplied the cash for the diamond drilling campaign recently completed and money is now at hand to start the shaft. Work of dismantling the Vanson Manitoba plant, purchased by Gold Lake, is under way.

It is planned to sink the shaft to open up two levels with 1,000 ft. of lateral work on each level to confirm drilling results.

Mr. Hopkins will have the appointment of two members to the board and will also appoint a resident engineer.

MILLION BARRELS IS 1935 ESTIMATE FOR TURNER FIELD

Deliveries Valued at $1.8 Million For Ten Months

From Our Own Correspondent

CALGARY.—A total of 799,868 bbls. of oil, worth approximately $1,839,696, based on a price of $2.31 a barrel, was received by the Imperial and Bell refineries in Calgary from Turner Valley during the past ten months. In addition a considerable quantity of oil was marketed at the field or through smaller refineries.

Total deliveries for October to the two refineries were 75,185 bbls., compared with 76,953 in September. With two months remaining, total deliveries for the year should be close to the million barrel mark.

Alfred Hinds, former president of the Merland Oil Co., and prominent Calgary oil operator, has started suit in the Supreme Court of Alberta for $25,000 damages against A. C. Johnson, Johnson Investments, and A. L. Barron, Calgary barrister, alleging wrongful arrest and imprisonment. Mr. Hinds was prosecuted on information of A. C. Johnson alleging he committed perjury while giving evidence in an action brought against him by Mr. Johnson and Johnson Investments. At the police court, one charge was dismissed and another withdrawn. Mr. Hinds was sent up for trial on a third charge. A. L. Barron conducted the prosecution for Mr. Johnson.

Deepest Wildcat

The Ranchmen's well on the Aldersyde structure which created a flurry several months ago when oil and gas showings were obtained, has again attracted public interest. Drilling around 6,500 ft.—the greatest depth attained by any wildcat in Canada—Ranchmen's has a flow of wet gas which is being put through a separator. The oil received ranges from water white to a straw colored fluid. It is claimed by Ranchmen officials to be unique and not quite like any oil encountered previously in Alberta. It has a pronounced paraffin odor with no trace of sulphur. It has been tried out in automobiles and is said to have given a better performance than standard gasoline. The quantity obtained has not been disclosed by company officials. Samples have been sent away for analysis.

Model No. 3

Model No. 3 in the north end of the field, and Renfrew Royalty and British Dominion in the south, are the three wells in Turner Valley closest to production. All three are in the limestone. British Dominion and Model No. 3 are drilling, while casing is being awaited at the Renfrew well. The Model Company has announced that payment of quarterly dividends will be commenced next year if Model No. 3 proves a success. Model No. 1, located near the No. 3 well, and the largest crude oil well in Canada, has produced steadily for five years and is still yielding 140 bbls. daily under the gas conservation quota. It has not varied 10 bbls. a month since the strike was made in March of 1930. Model No. 2 is a small producer of about 30 bbls. daily.

Royalite No. 27, east of Model No. 3, is drilling steadily in the upper formations. Royalite No. 26, near by, is one of the largest naphtha producers in the valley. It was the Royalite No. 26 strike which attracted attention again to the north end of the field, which had been neglected for years.

B. C. MINES OUTPUT JUMPS $5 MILLIONS COAL COPPER DROP

Estimate for 1935 Made by Government

From Our Own Correspondent

VANCOUVER.—Offering a preliminary survey of mining production in British Columbia this year, officials of the mines department point out that the only two dark spots in the picture are coal and copper, which not so many years ago vied for first place.

The full effect of the closing of Anyox operations by Granby will be felt next year because activity was continued there until mid-summer. Britannia will carry on alone as the chief copper producer of the province.

If metal prices hold, British Columbia's mines production next year should total $52.5 millions in value, according to government mining experts. The present year's output is estimated at $47.8 millions in Canadian funds, or about $5 millions in excess of last year's figure. Increase in lode gold production, chiefly in the Bridge River district, will account for at least half of this advance. Copper declined about $500,000 in value of output this year, and coal's decline was figured at $837,000.

Dividends Increase

Dividends declared by British Columbia mining companies so far this year total $4.5 millions and it is probable that by the end of the year they will exceed those of 1934, when stockholders received dividends of $6.1 millions.

Milling capacity in B. C. will be about 650 tons higher next year, according to departmental estimates.

Production of various minerals during the present year and in 1934 is analyzed in the estimate as follows:

	Value 1934 $	Value 1935 $	Change $
Gold, placer	714,431	808,513	+94,082
Gold, lode .	10,250,985	12,902,925	+2,651,940
Silver	4,068,792	6,041,001	+1,972,209
Copper	3,567,401	3,059,073	—508,328
Lead	8,461,859	10,241,640	+1,779,781
Zinc	7,546,893	7,806,560	+259,667
Coal, (2,240)	5,725,133	4,887,500	—837,633
Structural..	1,017,141	1,206,400	+189,259
Miscel.*	952,662	857,000	—95,662
Total value, Canadian.	42,305,297	47,810,612	

*Including metals, minerals and materials.

Bulolo Gold Dredging Output Keeps Up in Oct.

From Our Own Correspondent

MONTREAL.—Bulolo Gold Dredging reports that gold production for October amounted to 11,186 fine ounces, which compares with 11,292 ounces in September and 11,200 ounces in October, 1934.

Estimated net working profit in October is shown at 8,208 fine ounces which is equivalent to $287,280 with gold calculated at $35 an ounce in Canadian funds. September net working profit was estimated at $290,780 and in October a year ago, at $279,300.

Four dredges were in operation during the month and 958,000 cubic yards were handled as against 931,000 cubic yards in September.

Sorting the Mines, 9.

An Impartial Analysis of Listed Stocks from A to Z

This is the ninth in a series of articles attempting to examine, at close range, the various stocks, listed day by day, on the mining sections of various Canadian exchanges.

These little close-ups do not pretend to be exhaustive analyses of the companies dealt with. They are aimed, however, at giving Post readers a rapid fire inventory of the market today. Each stock will be dealt with in alphabetical order at the rate of three or four a week as space permits.

B. C. Nickel Mines

If B.C. Nickel Mines, in the Yale mining division of B.C. is not a commercial success, some $4 millions will have been wasted, except for the employment it has created.

The optimism and enthusiasm with which the syndicate behind this venture is spending this colossal sum is noteworthy. The official optimism has been maintained despite several setbacks in the affairs of this concern, setbacks which leave the final chapter still in doubt.

From official utterances, it seems fair to deduce that ore developments this summer have not been up to expectations. In the annual report published in March of this year, it was predicted that in June or July, of this year, estimated ore reserves would reach over 2 million tons, of a grade better than one per cent nickel. When this figure was reached, it was stated, milling would get under way. At time of writing, no announcement has been made that the mill is to get under way, and the latest estimate of tonnage, made early in August, put reserves at 1,250,000 tons.

A second blow to the prestige of this property lies in the fact that International Nickel Co. of Canada examined the property thoroughly in 1926, and passed it up. Later, in 1929, the B. C. Department of Mines examined it and results of drilling were inconclusive. Certainly they were not encouraging.

Prime movers in this proposition were the so-called "Triple Syndicate," originally comprising Bernard Smith, Col. Victor Spencer, and the late David Sloan. When Mr. Sloan died this summer, it was announced that the Sloan estate would take over his equity and responsibility in the venture.

The exact details of the financial agreement with this syndicate are unknown. The syndicate has agreed to finance the company to production, and is, it is understood, committed to spend $2 millions in all. It is also understood that all money advanced by the syndicate is to remain a first charge on earnings. To the end of July, about $1.2 millions had been spent by the syndicate.

In brief, despite the expenditure of vast sums of money on this enterprise, its future is still uncertain. If production with adequate ore reserves, is attained, the company will have to face the strongest type of market competition. Most market observers view with disfavor the blithe and periodic announcement regarding the mill. As hope rises and wanes in the public breast, the market reflects public sentiment, with the result that the price range shows some drastic changes over a period of years. In 1934, this stock hit a high of $1.76. At the time of writing, it is selling for about 22 cents.

Price Range of Stock

	High	Low	Last
1934			
Common	$1.76	$0.28	$0.53
1935			
Common	$0.55	$0.14	$0.23

B. C. Silver Mines

Under the merger agreement with Premier Gold Mining Co. B.C. Silver Mines is being wound up, shareholders to receive one share in a new company for every share in B.C. Silver held. The name of the new company is to be Silbak Premier Mines.

Prior to this merger, B.C. Silver property, a gold-silver prospect on the Salmon River, in the Portland Canal section of British Columbia, had been inactive since May, 1931. The company was controlled by the British Canadian Silver Corp., although Premier Gold owned 38 per cent of the stock. The property has no mill, and its chances of successful operation as a separate concern were slight.

After many months of negotiations, Premier and the other companies concerned agreed, in July of this year, to merge efforts under one management. Under this arrangement the outlook for the property, with the advantage of Premier's equipment, is materially improved. The merger will take effect in January, 1936.

Silbak Premier has an authorized capitalization of 3 million shares, par value $1. Of this amount, 2.2 million shares will be issued for property, and 300,000 for cash. Of the issued capital, Premier will receive 1.1 million shares, B.C. Silver 937,156 shares, for distribution, and Sebakwe, controlling British Canadian Silver Corp., 162,844 shares.

Thus B.C. Silver gets the advantage of Premier management and facilities, and work will be resumed in the near future.

The property itself is in an advanced stage of development. With currently higher prices for silver, and under the new arrangement, the prospects appear brighter than they have been for some years.

Price Range of Stock

	High	Low	Last
1934			
Common	$1.25	$0.90	$1.10
1935			
Common	$1.80	$0.90	$1.65

Buffalo Ankerite

Buffalo Ankerite Gold Mines owns a property in the Porcupine district of Ontario which has been in production with a few lapses, and under different management, since 1926. The present company was formed in 1932, and production has been steady since. In October, the company reported highest recovery in its history and lowest costs.

At the present time, Buffalo Ankerite is paying dividends at the rate of five cents per quarter. The fact that, while paying dividends, the company was, in 1934, offering stock for sale, has brought forth a certain amount of criticism.

But the fact remains that this has been a profitable enterprise and earnings are considerably in excess of dividend requirements. Operating costs have been reduced to about $4 per ton, not including cost of shaft sinking, which is estimated at about 40 cents per ton. With a grade of ore running about $6.60 per ton, based on October output, a profit of about $2.20 per ton is estimated. This would indicate profits of about 70 cents per share for the year.

Total ore reserves at the property were estimated, as at June 30, 1935, as totalling 952,061 tons, with an average grade of $6.25 at $20.67 gold. This estimate includes broken, blocked out, probable, and possible ore.

At the present time, an arrangement is under advisement by directors, whereby Buffalo Ankerite would purchase the adjoining Marbuan Gold Mines. If the purchase takes place, it is understood that it would be on the basis of six shares of Marbuan to one of Buffalo Ankerite.

In the balance sheet as at Dec. 31, 1934, Buffalo Ankerite showed current assets of $130,728. Current liabilities were $61,896.

Price Range of Stock

	High	Low	Last
1934			
Common	$3.98	$1.90	$3.05
1935			
Common	$3.50	$2.35	$3.17

ROYALITE BRINGS DIVIDEND TOTALS TO $4.2 MILLIONS

Imperial Subsidiary Aims at Definite Rate

From Our Own Correspondent

CALGARY.—With the distribution of $523,160 on Dec. 2 of this year, total payments to shareholders of Royalite Oil Co., largest producing company in Turner Valley, will have attained $4,209,083, spread over a period of 11 years. The company has paid one dividend of 75 cents a share this year and the second dividend, to be paid next month, will bring the total dividend disbursement for 1935 up to $1.50 a share or $1,209,083. The present number of Royalite shares issued is 697,547. Control of the company is held by Imperial Oil.

In announcing the dividend, J. H. McLeod, Royalite president, said it was hoped to place the company on a stabilized dividend basis.

W. F. Thorne has announced that Franco Oils will complete its wildcat well on the Cardston structure. If results were not satisfactory, he said, funds would be available for a No. 2 well. Franco No. 1 is down about 2,700 ft. Production of crude oil is anticipated at any depth up to another 2,000 ft.

Necessity to haul fuel oil from Coutts by truck has been holding up drilling operations at the Weymarn well, in the Pincher Creek area of Southern Alberta. This well is down 3,900 ft. and plans are being made to carry it down to 5,000 ft. if necessary. Three shifts are working.

Model No. 3 Resumes

The crew has resumed drilling at Model No. 3, north Turner Valley well, which struck the limestone recently at 5,734 ft. Model No. 3 struck the producing horizon at a slightly shallower depth than Model No. 1, the largest crude oil producer in Canada. It is in the vicinity of Royalite No. 26, largest naphtha producer in the north end of the field, and is also in close proximity to Royalite No. 27, the only active Royalite drilling well in Turner Valley.

Heavy snow and severe cold has interfered with drilling operations in Turner Valley. As a consequence, little footage has been made at British Dominion in the south end of the field, expected to be the next well to come into production. Renfrew Royalty, also in the south end of the field and in the limestone, is awaiting the running of casing.

Showings Encouraging

The Banner well, southwest of Turner Valley, is down about 2,600 ft. Several encouraging gas and oil showings have been obtained at this wildcat. At the McDougall-Segur test in the Comrey structure caving troubles have been overcome and drilling is proceeding from 1,900 ft. The Hunter Valley well on a structure west of Olds is down 5,222 ft.

An interesting wildcat is the Oil City Royalties well, located near Waterton in the southwest of the province. This well is being drilled near the first well drilled in Alberta, some 30 years ago. The old well was claimed to have struck a considerable quantity of crude oil but lack of demand for the product and the difficulty of transporting it to centres of population led to abandonment of the well. It was finally abandoned and the hole was ruined when tools were lost in the well. The new test is being drilled from 2,285 ft. Some showings of gas and oil have been obtained.

On the Del Bonita structure, in the south of the province, the crew is bailing rotary fluid prior to drilling deeper at the Terminal well. The New Valley well, being deepened by McLeod Oil, northeast of Turner Valley, is drilling below 3,500 ft.

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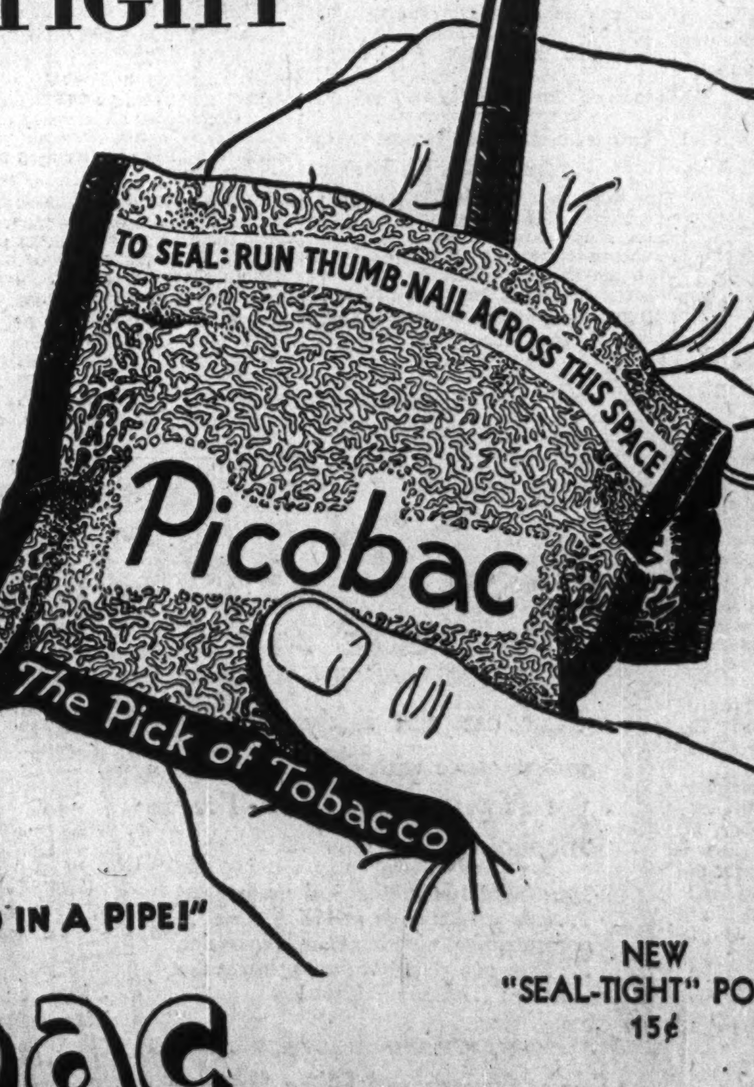
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GROWN IN SUNNY, SOUTHERN ONTARIO

Hiram Walker Invests $19 Millions in U. S.

Plans Greater Investment Still — Swifter Sale of Canadian Inventories Foreseen—Some Capital Changes — Debentures Sold

Hiram Walker-Gooderham & Worts has invested $19 millions in the United States and will invest more in building up inventory. It will pay off the $7.6 millions of bank loans shown on August 31, 1935, out of the proceeds of $8 millions of 4¼ per cent 10-year debentures sold to Hornblower & Weeks, New York City. But it will need more bank loans from time to time to finance expanding business, W. J. Hume, president, told shareholders at the annual meeting at Walkerville on November 15.

The heavy cash requirements for the needs of the business have so far prevented dividends. That is especially true at present because the Christmas season is the busiest of the year. Since August 31, 1935, accounts receivable have increased by $1.5 millions over the total of $4.9 millions shown in the last balance sheet.

Will Consider Dividend

Early in 1936 directors will consider a dividend on the common stock. The common stock earnings in the year ended August 31, 1935, were $4.10 a share but the dividend will be very much less than that in all probability. Mr. Hume's remarks lead to the conclusion that the company will be likely to turn back a proportion of current earnings into expanding United States inventories and sales.

One striking instance of the extraordinary demand for liquid capital in financing this business is given by H. C. Hatch, chairman of the board. Actual expenditure for a programme of consistent advertising of products in the United States was $2.1 millions for the year ended August 31, 1935. That expense is more likely to increase than to fall off.

Another Cash Source Opens

The reciprocity treaty just concluded between Canada and the U. S., dropping U. S. duty from $5 to $2.50 after January may offer the company a method of meeting its greatest needs of cash and liquid capital. This, however, will not be soon enough for the company to get benefit from the Christmas demand. The U. S. market of the company has broadened. On Sept. 1, 1935, 37 states comprising 78 per cent of the population of the United States had voted for the sale of liquor. Now there are 42 states with 88 per cent of the population in the wet category.

Peoria Inventory Up

The plant at Peoria operated during the year at from 50 to 87 per cent capacity. It produced 18.8 million gallons and on August 31 had 8 million gallons in warehouses at Peoria despite the disastrous fire which consumed 4.2 million gallons. Of this last total 372,826 gallons were salvaged. Since that time the company has produced 3.8 million gallons and the Peoria inventory on October 31 stood at 9.1 million gallons. The fire loss of $2 millions is carried in suspense account, awaiting the results of a suit which the company will enter against insurance companies within a few weeks.

Mr. Hume considers the heavy expenditure on the Peoria plant has been absolutely justified. During the rush last December bottling facilities were inadequate and so equipment has been doubled since that time. The bottling house had been built to permit of such expansion. The company is now in a position to handle a greatly increased business.

Curbs Bootlegging in Canada

Canadian business increased. It was stimulated by governmental action in reducing the excise duty from $7 to $4 per proof gallon. The lower tax did not result in lower revenues to the Government, Mr. Hume believes.

"The decreased prices on domestic goods," he said, "have been the means of curbing illicit manufacture and smuggling."

The company has incorporated Subsidiaries Holding Co. under the Dominion Companies Act. It holds the parent company's shares in all United States and Canadian companies which are doing business in the United States. All shares of the new subsidiary are held by Hiram Walker-Gooderham & Worts. The three management preferred shares of Hiram Walker & Sons Distilleries, Inc., have been converted into common stock and are held by the new subsidiary along with the original 24.997 common shares of Hiram Walker & Sons Distilleries.

DEBENTURES OF HIRAM WALKER SOLD OUTRIGHT

Hornblower & Weeks Take Up Full $8 Milloans Issue

Hiram Walker-Gooderham & Worts has sold $8 millions of 4¼ per cent debentures to Hornblower & Weeks, New York. The debentures will be listed on the New York Stock Exchange, application for the issue having been made to the United States Securities and Exchange Commission. Canadian investment dealers, applying for a part of the issue to sell to their clients, were told that it had already been placed.

Details follows:

$8,000,000
Hiram Walker-Gooderham & Worts, Ltd., and Hiram Walker & Sons Distilleries, Inc., joint obligation Unsecured 10-year Debentures, 4¼ Per Cent

Dated: Dec. 1, 1935. Due: Dec. 1, 1945.

Company: Hiram Walker-Gooderham & Worts is one of leading distillery companies in Canada. It controls Hiram Walker & Sons, Ltd., and Gooderham & Worts, Ltd., whose plants at Toronto and Walkerville have distilling capacity of 11 millions imperial gallons and have 12.9 million gallons in warehouses. U. S. subsidiary, Hiram Walker & Sons Distilleries, Inc., is holding company in United States for Hiram Walker & Sons, Inc., Peoria, Ill., and five other subsidiaries merchandising or making Walker products. Its plant at Peoria, Ill., has 30 millions wine gallons annual capacity.

Capital: 460,818 no par value preference shares and 660,000 no par value common shares.

Securities: Is joint unsecured obligation of parent companies in Canada and the United States.

Earnings: Net profit in the year ended August 31, 1935, was $3.1 millions available to pay interest of $340,000 on these debentures if they had been outstanding then. In the preceding year earnings shown for the same purpose were $3.4 millions. This does not take into account savings made by paying off bank loans.

Sinking Fund: Will commence on Dec. 1, 1936, and will be 10 per cent of consolidated net earnings for the preceding fiscal year ending August 31, but in no event to be less than $150,000 per annum.

Convertible: May be converted at any time within the 10-year period into common stock of parent company in Canada at $40 per share while $6 millions of debentures remain outstanding, at $45 per share after that so long as $4 millions remain outstanding; after that at $55 per share so long as more than $2 millions remain outstanding; and thereafter at $60 a share.

Remarks: Same requires 164,140 shares of the authorized but unissued shares to be set aside. The issue has to be registered under the United States Securities Act and application is filed. Application is also to be filed for listing the new debentures and the preferred and common stocks on the New York Stock Exchange.

McC. FRONTENAC SELLS 2,500 SHARES PREFERRED ISSUE

Block of New Common Also Sold — Current Earnings Higher

From Our Own Correspondent

MONTREAL.—John Irwin, president of McColl Frontenac Oil Co., announces that the company has disposed of the entire issue of 110,000 additional no par common shares offered recently to the shareholders on a basis of one in five at $12 a share. In addition, the company has sold a further block of 2,500 shares of the 6 per cent cumulative preferred stock.

As a result the outstanding capital structure at present consists of 79,090 shares of preferred and 650,000 shares of common stock.

Sales and earnings of the company for the first nine months of the current fiscal year to October 31, according to the president, show a moderate increase over those of the same period of last year. Dividends on the shares have been fully earned, with a surplus to add to profit and loss account.

Winnipeg's Newest Hotel
The Marlborough
In the Heart of the City
Fireproof Construction
European Plan
Rates in Keeping with the Times
220 Rooms

FANNY FARMER PROFIT UP 28 P. C. FOR 10 MONTHS

Two Biggest Months May Put Earnings Over $1.25 a Share

Net profits of Fanny Farmer Candy Shops Inc. for the first 10 months of 1935 show an increase of over $72,000, about 28.5 per cent, over those for the same period of 1934.

This comparison makes no allowance for U. S. federal taxation. Nor does it show precisely what will happen in November and December when the year's largest volume sales and profits are experienced.

Big Year-end Income

In 1934, 25 per cent of sales and about half the net operating earnings were realized in the last two months of the year. If the experience for November and December, 1935, is as good as in the two 1934 months, operating profits for this year should be above $600,000. After allowing for federal taxation, net profits applicable to the 390,512 common shares should be $1.25 a share or more.

Comparison of figures for 1933, 1934 and 1935, follows:

Sales and Earnings Comparison

	1935	1934
1st 10 mos.:	$	$
Sales	3,556,236	3,035,552
Profits*	325,616	253,438

* After depreciation, but before federal taxation.

Income Account Comparison

	1934	1933
	$	$
Total sales	4,184,555	3,406,987
Less: Oper. costs & depreciation	3,670,469	3,120,731
Operating profit	514,086	286,256
Add: Invest't rev.	33,793	....
Less: Salaries, loss on sub leases	35,500	....
Tax provision	100,000	67,000
Net profit	412,379	219,256
Per present share	$1.06	$0.56

High Earnings Estimate

In the above, it is shown that profits for the first 10 months of 1934 were less than half comparable operating profits for the full year. If profits for the first 10 months of 1935 bear the same relation to the full year's results, total profits of over $650,000 would be indicated. This high estimate, however, is unofficial. It should also be noted that provision for federal taxation will have to be increased because of the larger earnings.

Earnings for the 10 months, even if allowance is made for a proportion of federal taxation, are comfortably above the full year's dividend of 50 cents a share.

Canadian Wool Clip

The quality of the 1935 Canadian western wool clip is reported as being particularly good and consignments for shipment to Great Britain via the Panama canal are slightly larger than a year ago.

Advance Programme Unlikely Dom.-Provincial Conference

From Our Own Correspondent

OTTAWA.—It is unlikely that any agenda will be published officially for the federal-provincial conference of Dec. 9.

The government view is apparently that such agenda if published prior to the conference are apt to be dangerous and liable to mitigate against success.

Stirs Up Pressure

Thus it is argued that if certain important questions are announced prior to the meeting, pressure is immediately brought on various provincial governments to express themselves on these points.

Often these pronouncements, if made prior to the holding of the meeting, prove embarrassing to the province concerned and jeopardize free and full discussion. In particular instances such statements have actually been so important as to prevent agreement on vital issues.

Make Suggestions

At the present time the provinces are considering the tentative schedule drawn up by Ottawa and are submitting to Ottawa their own suggestions for matters they wish to have discussed.

The significance which the Liberal government places on these conferences is indicated by the announcement last week by Mackenzie King that a committee has been formed to draft a permanent basis on which these meetings can become a fixture in the political life of the Dominion.

Board Rejects Plan To Abandon C.N.R. Line

From Our Own Correspondent

MONTREAL.—Application of the Canadian National Railways for an order authorizing discontinuance of service on its St. Martin subdivision in New Brunswick, has been rejected by the Board of Railway Commissioners. The line runs from Hampton to St. Martin, a distance of 29 miles.

In a written judgment on the application, the board states that the lumber and gravel business along the line needs the railway to continue functioning. Accordingly, the time is not considered opportune nor is it considered in the public interest to discontinue the service.

Commodity Exchange Cuts Commission on Butter

From Our Own Correspondent

MONTREAL.—Commission rates on the Canadian Commodity Exchange applicable to "bought" and "to arrive" business on butter in the produce section, have been reduced from one-quarter to one-eighth of a cent per pound.

At the same time the exchange announces a change in the 'to arrive" contracts for both butter and cheese, extending the previous limit of seven days on such trade to 15 days after the date of sale at the seller's option.

On deliveries of both butter and cheese the exchange has removed the provision that deliveries should be made up of "not more than five factories and not less than 20 boxes of one factory's make." This change, it is explained, was made in order to remove a hardship which the provision created in making deliveries at this season of the year.

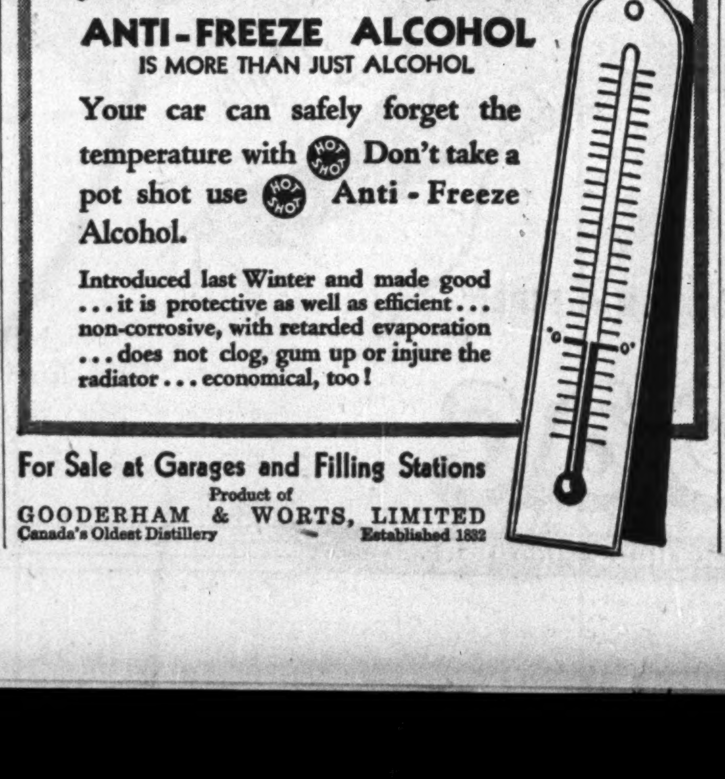
Montreal Security Values Register Gain for October

From Our Own Correspondent

MONTREAL.—The value of stocks and bonds traded on the Montreal Stock Exchange and Montreal Curb Market amounted to $6,919 millions as of October 31, an increase of $353 millions over the previous month and $202 millions higher than a year ago.

With the exception of listed mines, which showed a slight decrease, all classifications on both exchanges registered higher total values than at the end of September, reflecting the rise in security prices which started in October.

The ratio of brokers' loans as of October 31 to the value of all shares traded on the two exchanges, was 0.39 as compared with 0.42 in September and 0.58 in October of last year.



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W. J. Patterson

Saskatchewan's New Premier Believes in Balanced Budget — First Native-born to Lead Government

BY. FRED CRUICE

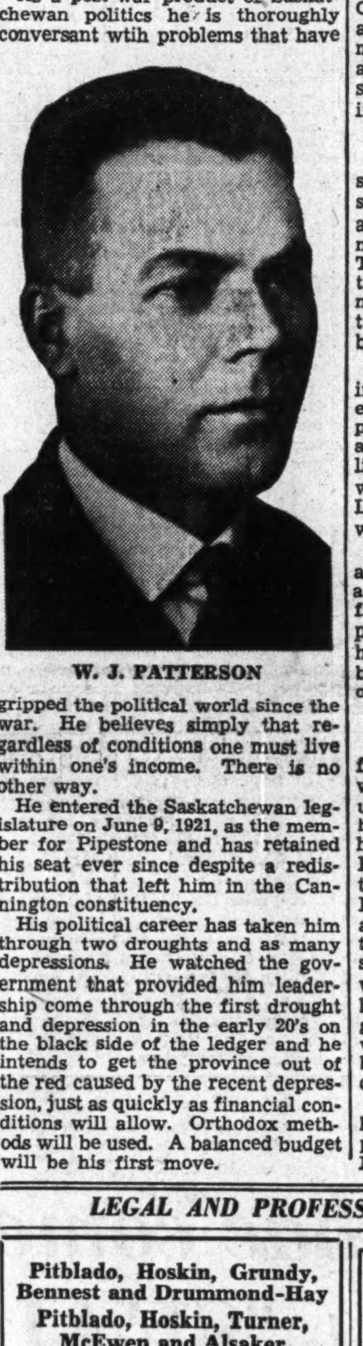
Hon. William John Patterson, Saskatchewan's new premier, brings three distinctions to that high office.

Of his predecessors he is the first native born, the first war veteran and the first to be a bachelor.

He is a Liberal and succeeds Hon. J. G. Gardiner, who was recently appointed federal minister of agriculture by Prime Minister King. Mr. Patterson will be 50 years old on May 13 next, but he can still pass as a man in his late thirties or early forties.

Must Live Within Income

As a post-war product of Saskatchewan politics he is thoroughly conversant wtih problems that have gripped the political world since the war. He believes simply that regardless of conditions one must live within one's income. There is no other way.



W. J. PATTERSON

He entered the Saskatchewan legislature on June 9, 1921, as the member for Pipestone and has retained his seat ever since despite a redistribution that left him in the Cannington constituency.

His political career has taken him through two droughts and as many depressions. He watched the government that provided him leadership come through the first drought and depression in the early 20's on the black side of the ledger and he intends to get the province out of the red caused by the recent depression, just as quickly as financial conditions will allow. Orthodox methods will be used. A balanced budget will be his first move.

Back in 1886 an Irish father and a Scottish mother became the parents of the first white child born in Grenfell, Saskatchewan, then the Northwest Territories. The father was John Patterson, foreman since 1882 in the Canadian Pacific Railway Grenfell section. He died in 1920 holding the same job. His mother, Catherine Fraser, came from Scotland with a sister and brother-in-law, to Broadview, then the end of the steel and travelled with a construction gang to Grenfell. The Patterson's had been married four years before their first-born, John, arrived. The mother, still living at Grenfell, watched her son sworn in as premier. She is the kind of mother any son would be proud of, always smiling and displaying the same characteristic plainness noted in her son.

Dominion Bank Training

Mr. Patterson after elementary schooling at Grenfell cleared high school training without difficulty and obtained a clerkship in the Dominion Bank branch in Grenfell. That same year, 1902, he was sent to the Winnipeg office where he remained almost five years to be returned to Grenfell as manager of the bank.

Two years later he became superintendent of rural telephones, a government department. He held that position until 1915 when the call to arms resulted in a commission as lieutenant in the 10th C.M.R.'s. He went to France in the Canadian Light Horse and received a leg wound at Cambrai.

Back in civilian clothes he entered a Grenfell law office and studied for a year, then opened an insurance and financial agency at Windthorst. His political career started in 1921 when he was elected by a majority of 94 but the last election gave him one of 2,000.

In Cabinet Since 1925

When Mr. Gardiner formed his first cabinet in 1925 Mr. Patterson was invited to take over the treasury and telephones. Since then he has, along with these two portfolios, held highways and natural resources. But telephones and particularly the treasury have been his major work. In opposition he was chief budget attacker and set off several bombs that had the government of that day seeking cover. His mild manner would lead those that do not know him to believe he will stand for a great deal. Perhaps he does but when he opens up and gets down to brass tacks the mild manner packs considerable dynamite.

Mr. Patterson's make-up contains his mother's Scottish cautiousness plus his father's Irish pugnacity, a Presbyterianism preached from a prairie town pulpit, banking experience and a sound political training.

Mr. Patterson has been brought up in a political influence that earmarked certain revenues for certain expenditures and kept those expenditures within income. This policy which Saskatchewan Liberals are credited with in the past is one to which Mr. Patterson is getting back.

As an opposition member he attacked the budget of the government during the early depression years and argued it was not the first time Saskatchewan had been in a difficult position. Demands for relief on top of falling revenues were nothing new. They had occurred before and were successfully overcome. What was required was business ability to keep expenditure in line with revenues. A vigilant man at the head of affairs was necessary, a provincial treasurer who knew his business and would not allow looting.

Dislikes Red Ink

During Mr. Patterson's hold on the treasury the red ink-well was used as a paper-weight. He intends to get it back into that category.

Mining men will take consolation from the fact that Mr. Patterson, when minister of natural resources, watched the growth of the Flin Flon region and saw rapid development in Athabaska. Last summer he flew into the north and came out with a working knowledge of the situation.

QUEBEC MOVES TO EASE BURDEN OF HOME LOANS

Offer Made to Montreal Island Towns Cuts Interest Costs

From Our Own Correspondent

MONTREAL.—In order to reduce annual loan charges of Island of Montreal municipalities, the Quebec Government, through the Municipal Commission, has informed the Metropolitan Commission of Montreal it will accept immediate retirement of loans contracted by the municipalities under the 1919 Workmen's Dwellings Act bearing interest at 5 per cent.

The seven municipalities and the amount they owe under the 1919 Act follow:

Town of Mount Royal	$171,000
Verdun	152,000
Montreal East	65,000
St. Laurent	87,000
Point Aux Trembles	63,000
Lachine	31,000
LaSalle	17,000

Reduce Interest Charge

The total amount owing is $586,000, upon which the municipalities are paying annual interest charges of 5 per cent.

Under the Quebec government's plan, the province would waive its right to receipt of this interest until 1940 or 1943 when the loans mature, with consent to immediate repayment of the loans, and would have the municipalities borrow in the present market at rates of from 3½ to 4 per cent.

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The BACHELOR'S CORNER

First Snow . . .

I looked out my window the other day to see the first snow drifting past. The autumn was gone, burying summer in a blanket of russet leaves. And now, winter, again!

Winter again: snow in your shoe tops, frozen ears and toes, coal bills for black diamonds that melt like snow, streets full of slush or slippery as a fake stock salesman. But winter of crisp sunlit mornings, too, with a nip in the air to make you stretch out your stride like Mussolini on his way to an ovation, with shouting skiers in the hills and hot drinks around a roaring fire at blue dusk, the click of skates, the noisy rivalry of hockey crowds, the jingle of sleighbells, the childhood memory of counting the days till Christmas . . .

Seasons change, friends change, come and go, but there's one unchanging pleasure, by summer shore or in snow bound ski-hut: a Bachelor. At all times, anywhere, that pure Havana fragrance adds to the joy of the moment. "IT'S GOOD TO GET BACK TO A 10c. CIGAR!"

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